

The NATIONAL UNDERWRITER



A trusted employee grew fond
Of a somewhat expensive young blonde.
To put on a show,
He stole his firm's dough.
A very sad story—no bond.

INSURED honesty is definitely the **BEST** policy—for employers!

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland



FIDELITY AND SURETY BONDS;
BURGLARY, ROBBERY, FORGERY
AND GLASS INSURANCE

World's Leading Underwriter of Honesty Insurance

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

THURSDAY, NOVEMBER 26, 1953



THIS IS A BUSINESS?

Yes. An important business to the man who owns it.

That's why he buys insurance.

Everything but Business Interruption Insurance.

Why doesn't he buy that—when an interruption in his business by a windstorm, fire or explosion . . . and the resulting loss of income . . . can mean "out of business" for him.

Perhaps he and the thousands of "unsold" merchants, large and small, haven't been made actively aware of the merits of Business Interruption Insurance.

Could it be that *you* are deciding that prospects in your own backyard don't want this protection . . . before you tell them about it?

ROYAL • LIVERPOOL Insurance Group

CASUALTY • FIRE • MARINE • SURETY

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ROYAL INSURANCE COMPANY, LIMITED • ROYAL INDEMNITY COMPANY • AMERICAN & FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE CO. LTD. • NEWARK INSURANCE COMPANY • QUEEN INSURANCE COMPANY OF AMERICA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • GLOBE INDEMNITY COMPANY • STAR INSURANCE COMPANY OF AMERICA • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY



Yes, Cam, your mother is pretty . . . and wise! For she listened to her Camden agent and insured her fur coat.

THE CAMDEN


Fire Insurance Association

CAMDEN, NEW JERSEY

OUR SECOND CENTURY



A Company is Known by the Agents It **KEEPS**



A NEW STAR IN THE INSURANCE WORLD


Two years of dramatic growth have mushroomed assets of the ICT Group to \$18 Million and premium income to \$1.5 Million a month.

This growth has enabled the ICT Group to build a tremendous capacity to serve local agents. ICT agents in 24 states and Alaska have an unlimited market potential in union members and their friends who have a personal interest in ICT's future.

OWNED BY UNION MEMBERS • BUILDING A BETTER AMERICA

THE INSURANCE COMPANY OF TEXAS
LIFE INSURANCE COMPANY OF TEXAS
CONTINENTAL UNION INSURANCE COMPANY
CONTINENTAL UNION LIFE INSURANCE COMPANY
ICT DISCOUNT CORPORATION

Jack Cage & Company - Managers



ICT GROUP
BUILDING A BETTER AMERICA

Give Balanced View of Auto Legislation Alternative Schemes

Am. Mutual Alliance Attorney Sizes Up the 3 Main Proposals

American Mutual Alliance has not declared itself on its position in regard to compulsory automobile liability legislation in New York in 1954 and hence what was said on this subject at the annual meeting of the alliance at Chicago is of particular interest. The alliance in 1953 favored the Dewey compulsory insurance proposal in New York as an alternative to the unsatisfied judgment fund which was being espoused by the stock companies and NAII.

Paul S. Wise, attorney for American Mutual Alliance, gave a paper treating of the various legislative proposals at the alliance meeting. He threw the unsatisfied judgment fund right out the window. He had some friendly comment on compulsory insurance and he gave an objective analysis of the so-called voluntary judgment recovery guarantee plan that is being advocated by other segments of the industry as an acceptable alternative to compulsory insurance. This is the plan for offering a new coverage indemnifying the insured and members of his household against inability to collect claims against uninsured motorists. There would be created a defense and reinsurance corporation that would reinsure all liabilities for this coverage. Claim handling would be done by this corporation in an effort to avoid any conflict of interest between the direct insurer and his policyholder.

Mr. Wise said this has some appeal, because it is voluntary and because it is consistent with the principles of free enterprise system that the insurers should provide any coverage for which there is an insurable loss. It may not be consistent, he said, to oppose programs that will allow the public to purchase insurance voluntarily against losses they may suffer while also opposing legislation designed to compel everyone to provide financial responsibility. The plan has appeal because it may form a basis for unity within the industry in joint opposition to both compulsory insurance and UJF. If the plan is successful it would eliminate to a degree the threat of state funds.

However, it presents problems of practical application. The insurer would occupy inconsistent positions. It would have to provide a defense of its own policyholder and oppose the claims of others based on this liability. It would have to defend the uninsured and oppose the claims made by its own policyholder. Although the aim is to conceal this conflict by a defense corporation, the veil of concealment is transparent and it may be dangerous

(CONTINUED ON PAGE 23)

Slate Ackerman As Teachers' President

L. J. Ackerman, dean of the school of business administration of University of Connecticut, has been nominated for president of American Assn. of University Teachers of Insurance.



L. J. Ackerman

His election, which is taken for granted, will take place at the annual meeting at Washington Dec. 28-29. He has been vice-president for the past two years and will succeed Prof. C. M. Kahler, University of Pennsylvania.

Prof. H. H. Irwin, Wayne University, who was with Massachusetts Mutual Life both at Detroit and at the home office for many years before entering the full time teaching field, has been nominated for vice-president and heir apparent. Traditionally, the teachers' officers serve two terms. D. W. Gregg, dean American College of Life Underwriters, will be the new executive committee member, succeeding Prof. C. C. Center of University of Wisconsin. Holdover executive committeemen are Paul Abbott, educational director Insurance Co. of North America, and Dean H. C. Graebner of Butler University. Prof. W. T. Beadles of Illinois Wesleyan University will remain secretary.

Aim to Get Safeco in All States But Mass. in 1954

The management of General of Seattle intends to bring about the licensing of Safeco in all states except Massachusetts by the end of 1954. The name has been officially changed to "Safeco" now. This started out as being in the nature of a familiarity and was compounded of the initials of the formal, original name of the company, but Safeco it is now officially.

St. Paul Has Blanket Excess Fidelity Bond for Banks

St. Paul-Mercury Indemnity has now got on the market and is offering in several states blanket excess fidelity bonds for banks. This is available in the amount of \$1 million as excess of the bank's primary bankers blanket bond requirement. It contains the discovery clause, indemnifying the bank against losses incurred prior to its inception date, but discovered during the currency of the bond. The company has not put out any information on rates for this, although it has gotten out considerable literature, including a folder.

St. Paul is said to be charging 25% more than London Lloyds for the excess fidelity of \$1 million.

Name Ark. Representative

General American Casualty of San Antonio has named the Harold Mann general agency at Little Rock general agent in Arkansas. It is the only exclusive casualty general agency in the state.

(Late News on Page 30)

Hot Fight Looms on UA; Lange Takes Up Cudgels

Commissioner Lange of Wisconsin as chairman of the uniform accounting committee of NAIC on the eve of the Miami Beach convention sent out under his signature to each of the commissioners a five or six page letter strongly if not vehemently advocating adoption of the revised report on uniform accounting in relation to rate making that was drafted by the joint sub-committees following the recent Chicago hearing. Mr. Lange declined to make public the substance of the letter but it is believed to be a provocative statement. According to all indications the industry will be squared off at Miami Beach against some determined partisans of the idea of hitching uniform accounting up to the rate making cart, so to say. It is expected that Superintendent Bohlinger of New York will be the main exponent of this and everyone is expecting fireworks on this issue.

This is a simple issue, it is a fight for better figures, the letter signed by Mr. Lange said. The battle revolves around the effort by the commissioners to have available figures which assist in justifying the price which the public is forced to pay for fire and casualty insurance.

Fear on the part of the industry that the commissioners will misuse the rating laws should not be used as a lever to destroy UA.

"Should we succumb and fail to adopt the joint report on UA and rate making before the convention, any commissioner who in the future seeks to acquire and use better supporting expense information will have NAIC's failure to act used to oppose him."

State regulation must win its fight for better figures or lose a cornerstone on which state regulation rests.

The commissioners must be in a position to justify both loss and expense portions of the premium dollar to the public. No language, however reasonable will be acceptable to the industry if it states that UA and rate making are interrelated but rate making is the blood of the fire and casualty business and without adequate expense statistics reasonable scientific rate making is difficult if not impossible.

The industry has been fully consulted as commissioners moved along with the UA program and problem, the letter said.

New Washington Chairmen

President Stanley W. Lebens of Washington Assn. of Insurance Agents has announced his committee appointments. Chairmen are: Casualty contact, R. J. Martin, Spokane; educational, Le Roy Hunter, Seattle; fire contact, J. D. Powell, Tacoma; fire prevention, Hal D. Peterson, Ephrata; legislative, Ed Munro and William Culliton, both of Seattle, co-chairmen; membership, William Burch, Spokane; rural agents, Stanley N. Randolph, Richland; traffic safety and public relations, Omer Norgard, Yakima; workmen's compensation, John L. Warne, Seattle.

Casualty & Surety Club of New York will hold its annual banquet at the Hotel Commodore Dec. 17.

U. S. Welfare Fund Probe Gets Into Insurance Realm

Loose Practices With Commission Factor Scanned by House Committee

By JOHN C. BURRIDGE

DETROIT—The hearing here of the House subcommittee that is investigating union health insurance and welfare funds has thrown the spotlight on Union Casualty & Life of Mount Vernon, N. Y., and Union Insurance Agency of Chicago, from the standpoint of insurance people, although the main issue seems to be wrapped up in a political grudge feud between Rep. Clare Hoffman of Michigan and James R. Hoffa, president of the teamsters' union in the Detroit area.

Although billed as a closed session Monday, the committee released a transcript of the testimony of Dr. Leo Perlman, executive vice-president of Union Casualty & Life, concerning the welfare plans with local 1031 electrical workers AFL at Chicago, and then threw open the doors Monday afternoon when Allen Dorfman of Union Insurance agency of Chicago was interrogated. Mr. Dorfman was asked about is entitled Central States & Southwest the welfare fund of the teamsters that Areas Health & Welfare Fund of International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, AFL. This is a gigantic plan in which 60,000 members of the organization are insured and there are 50,000 dependents covered. The plan is handled through a custody arrangement of three union and three management people.

Both witnesses were asked about possible rebate on premiums and the committee was interested in the expenses of Union Casualty and Union Insurance agency.

When Dr. Perlman was on the stand, he testified that his company received \$2½ million from 1031 of the electrical workers in premiums from May, 1949 to May, 1953. The union had 8,000 members in 1949 and now has 32,000. The attorney for the union told the THE NATIONAL UNDERWRITER that the plan was given to Union Casualty because it offered the lowest rates, the fastest claim service, and the experience of the union has been that Union Casualty does not stick at technicalities of interpretation. About 15,000 of the electrical workers are insured under this plan, and 90% of them are female. There has been no increase in the rates since the plan was adopted.

Each member pays \$5.21 a month for accident, hospitalization and life coverage.

Dr. Perlman, reputedly a former insurance commissioner of Czechoslovakia, is one of the three owners of Union Casualty and also was one of the own-

(CONTINUED ON PAGE 21)

Actuaries Should Aim to Illuminate Insurance for Public

Carlson Says Business Suffers From Lack of Intelligent, Plain Talk

NEW YORK—Casualty Actuarial Society at its annual meeting elected Seymour Smith of Travelers president, Dudley Pruitt of General Accident and John A. Mills of Lumbermen's Mutual Casualty vice-presidents, Albert Z. Skelding of National Council on Compensation Insurance secretary-treasurer and these new council members: D. R. Uthoff of Employers of Wausau, N. M. Valerius of Aetna Casualty and Harry V. Williams of Hartford Accident.

The Society elected Harold E. Curry of State Farm Mutual, Arthur Kuenkler of U. S. F. & G. and Hubert Yount of Liberty Mutual as fellows.

A uniform statistical plan for fire and allied lines was discussed by Clyde H. Graves, actuary of Mutual Insurance Advisory Assn., in a paper delivered at the session.

Following the presidential address by Thomas O. Carlson, National Bureau, an educational discussion of electronic machine developments as they affect insurance procedures was led by Mr. Pruitt, who is chairman of the society's research committee.

A panel discussion on the "Handling of Expenses in Ratemaking" was held, the panelists being James M. Cahill, National Bureau; Frederick W. Doremus, Eastern Underwriters Assn.; Mr. Graves, and L. H. Longley-Cook, North America.

The actuary has a vital role to play in the field of public relations, Mr. Carlson said in his address.

The work of the actuary, he said, "must ultimately be translated into an explanation that can be communicated to executives and administrators who are laymen as respects our language, and even more so as respects our techniques."

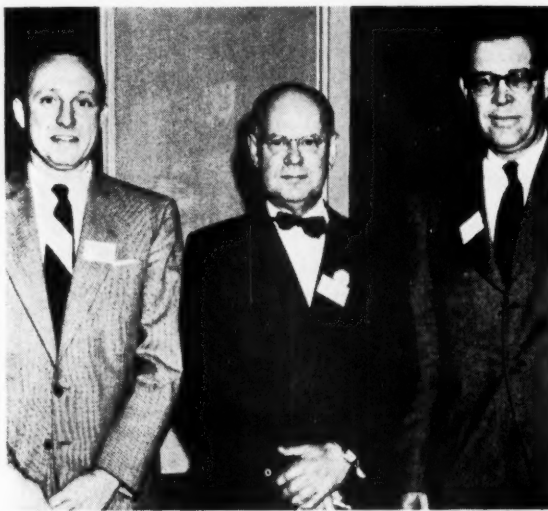
"Beyond that, we must in large measure bear the burden of justifying our results and conclusions to the public at large, and in both of these tasks we have need for plain talk backed up by plain thinking."

Mr. Carlson stated that in the development of actuaries "a natural bent for mathematics is far more important than an extensive knowledge of mathematics" because the utilization of higher mathematics is limited, but "the type of mind that follows easily the logical processes of mathematical subjects is the type of mind we find in a good actuarial analyst." Facility in self-expression is vital, for if the actuary "cannot externalize his thoughts so that others will understand, he is of limited use to any organization."

"It seems a pity that our educational system is cramming knowledge into the heads of students, and is presumably teaching them to think, but is doing next to nothing in the way of teaching them how to communicate."

The society dinner was in honor of Richard Fondiller, who had completed 35 years as secretary-treasurer. He had announced earlier in the year that he would not be a candidate for re-

New officers of Indiana Assn. of Insurance Agents: Dan Gibson, Plymouth, 2nd vice-president; E. D. Watson, Vincennes, 1st vice-president, and E. E. McLaren, Indianapolis, president. Picture by R. M. Hubbell, assistant manager of National Inspection Co., Chicago.



election. Mr. Fondiller is president of the firm of Woodward & Fondiller, consulting actuaries. Winfield W. Greene, consulting actuary, acted as toastmaster and William Leslie, National Bureau, was the principal speaker. Every past president of the society attended or sent a message. The society presented Mr. Fondiller an engrossed scroll and a gift of luggage.

Another panel discussion was held on "The Evaluation of the Function and Performance of the Actuarial Profession in the Casualty and Fire Insurance Fields." The panel members were Ralph H. Blanchard, Columbia University; Ellis Carson, president of National Surety; James B. Donovan of the law firm of Watters & Donovan; George B. Kline, deputy superintendent of New York.

N. C. Hearing on Louisville F. & M. Monthly Auto Plan

RALEIGH, N.C.—J. F. Dalkin, vice-president of Louisville Fire & Marine, told Commissioner Gold at a public hearing that his company's monthly payment plan for writing auto physical coverage on financed automobiles is designed to bring this type of business back to the agents.

The hearing came on Louisville's appeal from the North Carolina Fire Insurance Rating Bureau's failure to adopt the plan, which Mr. Dalkin said now is being used in 15 other states. The bureau, through its counsel, Col. W. T. Joyner, contended that certain phrasing of the policy would appear to designate the finance company as the insurer's agent. The bureau also questioned whether the filing was discriminatory since it would be based on 102% of the annual rate; and Col. Joyner said the bureau "doubted the wisdom" of departing from the writing of policies on the annual basis.

Mr. Dalkin explained his company's plan in detail and emphasized that the coverage would be available to agents of the finance company only through local and general agents of the company.

Want Break for Outsiders

Representatives of four large counties in Texas had a conference with the insurance commissioner to see what could be done to secure a fire insurance rate reduction in unincorporated areas. This effort is being spearheaded by Fire Marshal Hood of Dallas county. The other counties represented were those in which are located the cities of Fort Worth, Houston and San Antonio. Hood said that a complete blanket of fire protection is provided in the unincorporated areas of Dallas county by reason of contracts with 16 fire departments in incorporated communities.

Needlessly Put Prepaid Bank Policies on Pay Plan

Savings Banks Insurance Forum of New York State whose membership is composed of insurance managers of savings banks, reports that many of their mortgages are of a type under which the bank accrues a monthly sum for insurance premiums as they become due. The amount accrued is generally sufficient to pay at least a 3-year premium and at times sufficient to pay a 5-year premium.

Brokers and agents apparently are not fully aware of this procedure and are forwarding policies to the savings banks subject to the installment premium endorsement. In many instances it is necessary for the savings banks to return these policies and request a 3- or 5-year policy.

In such cases, brokers and agents could reduce their operating cost by originally writing policies for three or five years and avoid the installment premium endorsement. The forum reports that the insurance departments of the savings banks will be very pleased to advise agents or brokers concerning individual cases.

Texas Insurer Expands

Great National Fire & Casualty of Waco has set up a Dallas office in charge of Vice-president James T. Valentine. He was formerly with Reserve Life of Texas, and before that with International Fidelity. Great National F. & C. was formed last August and took over Great National Lloyds of Waco.

T. K. Irwin, Sr. has been elected vice-president of the company and Hubert D. Johnson, and George S. McGee have been elected directors.

Plans are afoot to get the company licensed in New Mexico and Tennessee.

30 Years' Service Honored

The members of the Johnston-Ramsdell agency, San Antonio, were guests at a luncheon with Ray Moses, Houston manager of Travelers, as host. The agency was presented a silver plaque in recognition of 30 years of service with that company. Other Travelers' men present were George Shackleford, life department; William A. Nabors, fire insurance department, Houston, and Neal Sutton, life department, San Antonio.

25 Years for N. E. 1752 Club

New England 1752 Club will celebrate its 25th anniversary Dec. 11 at Framingham, Mass. The club was originally organized as the Mutual Field Men's Club, and the 13 original surviving members have been invited as special guests.

New Tex. Insurers This Year Nearly Double 1952 Figure

Eighty-seven new insurance companies were organized in Texas during the fiscal year ended Aug. 31, reports submitted by divisions of the State Board of Insurance Commissioners to Gov. Shivers reveal. The figure compares with 45 additions in 1952. Stock life companies led the field with 61.

Chubb & Son Raises Three West Coast Men

Three officials of Chubb & Son Pacific department have been promoted, effective Jan. 1. They are: Edward S. Reed, manager at Los Angeles, now assistant manager of the Canadian department at Montreal; H. L. Hodgetts, marine manager at San Francisco, goes to L. A. to succeed Mr. Reed; and C. Convers Goddard, marine manager at L. A., succeeds Mr. Hodgetts at San Francisco.

Mr. Reed has been L. A. manager since 1948. Mr. Hodgetts, who had been with North America, joined Chubb & Son in 1947 and went to San Francisco in 1948. Mr. Goddard joined the company at New York, went to San Francisco as marine manager in 1948, and has been at L. A. for the past year.

Frank McGee Is Slated to Head K. C. Local Board

Frank McGee has been nominated for president of Insurance Agents Assn. of Kansas City. The election meeting is to be held Dec. 1. James A. Spellman, Jr., is named for vice-president, Robert H. Oppenheimer for treasurer and for executive committee Vincent M. Haggerty, H. A. Dick Sloan, and Mr. Spellman. Holdover committeeman is F. Vernon Griffith, Jr.

A resolution is being presented to James B. Wallace, veteran local agent of Kansas City who is the sole surviving member of the committee that was appointed in 1913 to reconstitute the association. Mr. Wallace is a past president of the association. For the first time in its history, the board made an award of a life membership and this is going to Mr. Wallace.

A gold membership card will be presented by Fred V. Griffith.

Wolff Tells of "Old Days"

Allan I. Wolff of Chicago, past president of N.A.I.A., spoke before South Bend-Mishawaka Assn. of Insurance Agent at Mishawaka, Ind., on "What Good Old Days?" comparing insurance today with 50 years ago. He said writing insurance policies today is far simpler and more understandable to policyholders than it was at that time.

To Boost Capital, Surplus

Beneficial Fire & Casualty has applied to the California department for a permit to issue to its parent company, Beneficial Standard Life, 16,000 shares of \$12.60 per value preferred stock at \$25.00 per share and 350,000 shares of \$1 per value common stock at \$2.20 per share, both issues to be paid for in cash for a total of \$1,710,000. Of this amount \$550,000 is to be added to capital and \$620,000 to paid-in surplus.

Dr. Charles B. Hicks, director of secretarial and office management programs at Ohio State University, spoke on "Business Letter Writing" before Columbus Insurance Accounting & Statistical Assn.

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State Farm Acts Independently on Medical Pay Plan

State Farm Mutual Automobile announces its program for extending medical expense protection to the insured and members of his household for injuries in any automobile accident, whether sustained as a pedestrian, a car occupant, driver, or otherwise. The bureau programs, it is understood, will be announced shortly.

Definition of automobile is extended to cover practically all types of land motor vehicles. The new coverage is extended to all present auto medical payments policyholders.

Cost of the extra protection is to be an additional 25% of the present medical payments rate, amounting to 50 cents additional each six months for most policies with standard \$500 limits. Endorsements will be attached to new policies and mailed to present policyholders with their next semi-annual premium notice.

Filings as required by law have been made by State Farm Mutual in each of the 40 states in which it operates, and in the District of Columbia.

State Farm said it has acted independently in making the extra protection "standard equipment," rather than selling it as an optional coverage on top of the present basic form. The reasons for this are economy and simplicity, according to H. E. Curry, vice-president and actuary.

State Farm has in force more than 2 1/4 million policies with medical payments, he said. "The expense of handling this new benefit as a separate coverage would have required a rate of about \$1.50 every six months. It did not seem to us that the paper work, handling costs and bookkeeping that would be involved in merchandising this coverage could be justified for a premium of this small size.

"On the other hand by making the broad form our standard provision, all of the office detail work, as well as most of the burden on our agency force, is eliminated."

Texas Dates Are Set

Texas Assn. of A&H Underwriters has announced the schedule for its state sales congress. Each year the speakers tour several cities, giving the same program in each. The first meeting will be at Houston Nov. 30, fol-

lowed by San Antonio Dec. 1, San Angelo Dec. 2, Dallas Dec. 3.

Talks will be given by E. H. Mueller, Milwaukee general agent; Ross C. Fox, regional group manager of Bankers Life of Iowa; Reginald W. Snyder, district manager of American Hospital & Life, and Earl R. Bennett, Provident L. & A., Tampa, Fla., a member of the executive board of the International Association.

Casualty Managers at Chicago Elect Bryden

John H. Bryden, Glens Falls, was elected president of Assn. of Casualty & Surety Managers of Chicago at its annual meeting. He succeeds L. F. Miller, Zurich.

Kyle E. Simpson, Home Indemnity, is vice-president; Frank G. Grothe, Globe Indemnity, secretary-treasurer, and Freeman C. Read, Car & General, assistant secretary.

Executive committeemen are John R. Mitchell, Massachusetts Bonding; J. S. Richardson, Standard Accident; B. W. Rouse, Travelers; Donald K. Weiser, Aetna Casualty; Louis C. Knapp, Great American Indemnity; Ray Walker, U.S.F.&G., and John P. Keever, Maryland Casualty.

Resolution to Probe Cravey Is Again Introduced

An investigation of Commissioner Cravey of Florida and members of his staff is asked in a resolution offered in the Georgia house by Rep. Owen Adams. He is charged in the resolution with "receiving of gifts, favors and other emoluments or bribes from companies over which he exercises control and regulation." The resolution asks for an investigating committee of two from the lower house and one senator.

Attached to the resolution were photostatic copies of a purchase order for a Chevrolet car and a canceled check made out to the Folds Motor Co. of Carrollton, Ga. in the amount of \$1,525. The purchase order dated Jan. 22, 1951 was signed by G. Anderson, who was vice-president of Reserve Life of Dallas, and the check was signed by E. J. Molney, assistant secretary of Reserve Life. His signature appeared under the initials of the company president which were illegible in the photostat. Mr. Cravey was quoted as saying he bought a car for his wife from Folds Motor through the fleet order of Reserve Life because he could get delivery in this way. "I've got a cancelled check showing I paid for mine," he was quoted as saying. He said the insurance company's check was for a former

employee's car that was bought at the same time. He said the employee "paid the insurance company back with interest." He said the resolution is "an asinine, damnable, lying resolution" and he noted that Adams had introduced a similar resolution at a former session.

"I will give \$1,000 to any charity if anyone can prove that I accepted one gift or emolument from any insurance company."

This appears to be another incident in the battle between Commissioner Cravey and Bankers Life & Casualty of Chicago.

Ill. Lloyds Brokers Hold Annual Parley

Assn. of Lloyds Brokers of Illinois held its annual meeting at Chicago Tuesday and confirmed the election by mail ballot of A. B. Palmer of Rollins, Burdick, Hunter; Cameron Brown of G. F. Brown & Sons and A. T. Seaholm of Bowes & Co. as directors. They take the place of Roger Bronson, C. Reid Cloon and W. H. Stevens, Sr., of Fred S. James & Co. The directors will hold their meeting Tuesday to elect officers and it is understood that Leslie H. Cook, who has been vice-chairman, will be elected as the new chairman to succeed L. H. Hawley, who has been chairman for the past two years.

Nickerson in Illinois Field Post for Pacific National

Pacific National Fire has appointed J. W. Nickerson associate state agent for Illinois. He will make his headquarters in the western department at Chicago with State Agent Oscar Ehrlich.

Mr. Nickerson formerly was assistant secretary of Millers National. A navy veteran, he has been active in insurance associations, including uniform forms committee, Farm Underwriters Assn. and Western Conference of Special Risk Underwriters.

Claim Talks at L. A.

LOS ANGELES—Casualty & Surety Fieldmen's Assn. of Southern California heard Attorney Hugh B. Ratchford speak on "Interesting Aspects of Claims at Trial."

Edward Mitchell of Krout & Schneider presented a film which showed how undercover work aids in the exposure of fraudulent claims.

Status of New Auto Class Plan in N. Y. Still Uncertain

Conflicting Stories in Papers There Cause Big Stir Among Producers

NEW YORK—According to the New York Times on Monday, the insurance department had turned down the new auto liability classification plan of National Bureau of Casualty Underwriters and Mutual Rating Bureau. According to the New York Herald-Tribune on Tuesday the department has not rejected the proposal.

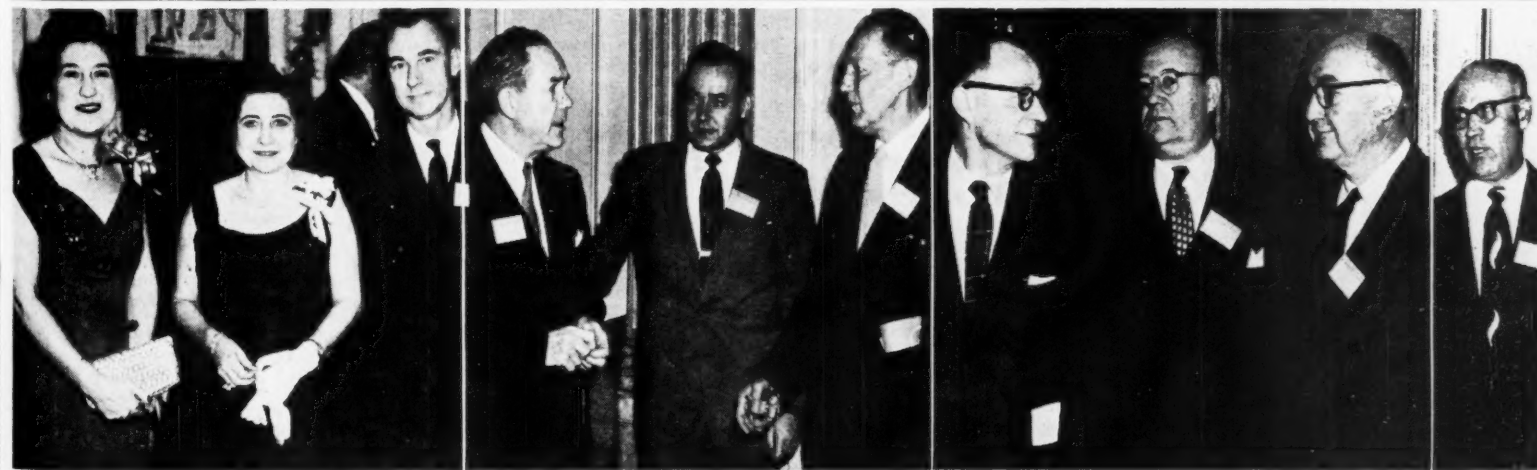
In the meantime there was considerable to-do in the business, where both the "rejection" and its announcement were so unusual as to cause astonishment. Superintendent Bohlinger was quoted as stating that there can't be acceptance or rejection because there has been no rate filing. The proposal has been discussed informally by the department and the bureaus.

The department wanted 1952 policy year experience reflected in any rate revision because it was more favorable than 1951, and that data is just being completed. This caused delay in negotiations.

There has been no mystery about the fact that the department was not enthusiastic about the new class plan, and the Times article suggested that Mr. Bohlinger would prefer two instead of three subdivisions of class 1, based on driving to work and not driving to work, instead of the bureaus' proposal of two sizes of driving to work, plus not driving to work.

But the customary procedure in these matters is to discuss proposals informally so that when a filing is made the department and companies can live with the results.

The Times story also brought out another fact that was pretty generally known, that the bureaus tentatively had projected a special plan for New York City business. The rate factors for the three subdivisions of class 1 have been 60, 70 and 85% of the base class 3 premium. But the inadequacy



Leading personalities at Illinois Assn. of Insurance Agents convention at Peoria: Mrs. E. J. Dirksen, wife of the secretary-manager; Mrs. Joe Ann Shay, secretary to Mr. Dirksen; Cyril Foster, secretary of Millers National, the company that joined with Illinois National Casualty in providing the excellent entertainment program at the banquet; Roy L. Davis of Chicago, manager of Assn. of Casualty & Surety Companies; William O. Bailey, assistant secretary of National Bureau of Casualty Underwriters, who was a convention speaker; Alvin S. Keys, Springfield, who received the C. M. Cartwright merit award; John F. Neville, executive secretary of NAIA and convention speaker; Walter Sheldon, immediate past president of NAIA; C. L. Morris, general manager of Illinois National Casualty, who took part in a forum on automobile insurance problems; and Frank H. Hawk of Peoria, the new state national director.

of New York City rates turned out to be even greater than previously, perhaps 20%, so the bureaus discussed with producers of this area the idea of setting the class 1 rates at 70, 80 and 90% of class 3 for N.Y.C., which would make unnecessary a rate level change, though one was in the cards for the remainder of New York state. This, according to the *Times*, was regarded by the department as discriminatory.

The situation now returns to an "as was" basis, with the issue still to be resolved when all the figures are in.

Insurance Angle Figures in New Denver Action

A suit has been filed in Denver district court accusing a loan company with overcharging clients in interest and other payments up to 40% in violation of the 1913 law which limits payments of loans over \$300 to 12% a year. There is a charge that the borrowers in question got \$350 from Safeway Finance Co. of Denver in May 3, 1951, signing a note for \$465 due in 15 months. According to suit the difference in the amount borrowed and amount due was a charge of \$31.20 for life and A&H insurance and \$98.11 in predetermined interest. The note was secured by the house and car of the borrower. Besides Safeway the defendants are Fidelity Acceptance Corp. of Minneapolis which is the parent organization, and officers of both concerns.

The suit charges that Safeway since 1947 has received overcharges amounting to \$100,000 and contends that the firm's principal business "has been to collect and extort such illegal usurious, exorbitant and unconscionable rates, discounts, commissions and other charges." The lawyers in this case are the same ones that last February filed an "excessive charges" suit against six Denver firms. That action is still pending.

Governor Thornton earlier this year vetoed a bill that would have abolished 12% legal interest rate and would have killed any pending action against the defendant loan companies under the 1913 law.

A bill has been introduced in the hold-over session of the Georgia legislature to prohibit loan companies from requiring life and A&H insurance as a prerequisite for loans under \$300. There is also a bill to require loan companies to include the cost of such insurance as interest.

Phoenix of London Changes

Phoenix of London is establishing a mountain states department in its Pacific Coast office at San Francisco. This will be operated by Robert L. Phillips, supervisor. He has been a Phoenix man since 1951 and prior to that was in the local agency business.

Robert L. DeGraw who has been traveling in Oregon with headquarters at Eugene, is placed in charge of the branch office at Portland, Ore., replacing Chown Phillips, who has resigned. He has been with Phoenix since 1951 and previously was in the agency business at Portland.

The new special agent at Eugene is Giles S. Unsworth. He has been with Phoenix since 1948, and most recently has been special agent in the San Francisco Bay area.

Flahive Promoted to V.P.

Superior Ins. Co. of Dallas has promoted Ted P. Flahive, claims department manager, to vice-president. Mr. Flahive, who joined the company in 1943 and became claims department head in 1951, is secretary-treasurer of Southwestern Insurance Information Service, a public relations organization formed by Texas stock casualty companies.

Ocean Cargo Losses in Nov. 7 Blow in NYC Are Unusually Heavy

Ocean marine losses from the Nov. 7 storm in the northeast as a result of sea water damage to cargoes on piers and in warehouses are expected to be very substantial. There may be as many as 1,000 of them, varying widely in amount, involving commodities and merchandise in the New York-New Jersey harbor area. These losses are handled by specialists in this field and there is not likely to be even a rough estimate of the total amount of loss to insurers for some days yet. The adjusters that work in this field still have not been able to inspect all of the losses and losses are still being reported. Some of the piers were two feet under water during the big wind.

Flour, bags of coffee beans, canned goods, and a hundred other import-export items were damaged to varying degrees, one coffee loss running \$150,000.

Automobiles wetted by the sea water also will account for a large number and a substantial amount of loss for insurers, probably about 3,000 cars at an average \$125 apiece for a total of \$375,000 or more.

Chicago Fire Examiners Hold Managers' Night

Assn. of Fire Insurance Examiners of Chicago heard at its annual managers' night Donal L. Breting, executive engineer of Underwriters Laboratories, on the function and service rendered by the laboratory. The meeting is dedicated each year to executive officers of companies whose employees are members of the association.

Even though material is classified for its fire resistive qualities, decorators can come in and undo all the good work by using highly combustible material such as acoustic tiles, and plastic ceilings, Mr. Breting said. The flame spread hazard of such materials does not give people a half way chance to get clear the building and some of the plastics being used for suspended ceilings today burn so fast in tests made at the Underwriter Laboratories that the furnace is unable to furnish enough oxygen to support burning, Mr. Breting said. "It is extremely unfortunate that material such as this is being used; it will probably take a monster fire with a great loss of lives to awaken the public to these dangers." He mentioned that the disastrous Hotel LaSalle fire began in a cocktail lounge and that the veneer panels went up like tinder, within seconds, flashing across the entire hotel lobby. The fire which took several lives at the Effingham, Ill., hospital spread equally as fast because of the type of wall board or insulating board which was being used, he declared. The fire moved almost faster than the victims were able to run.

The speaker said to look for the Underwriter Laboratories tag or label

on each particular product of the same manufacturer, since some manufacturers state categorically their products have the approval of the laboratory, when not all of them do. Mr. Breting then gave an actual demonstration of the speed in which some materials burn in a small edition of the large furnace used at the laboratory.

Among the guests at the well-attended meeting were E. A. Henne, vice-president of America Fore; P. S. Beebe, associate manager of Hartford Fire, and Curtis R. Welborn, president of Underwriters Laboratories.

Hold Stellar Program on San Antonio I Day

As a means of meeting the competition of direct writers, Charles G. Griffith, San Antonio special agent for Royal-Liverpool, suggested merit rating; advertising to reach the public which does not read trade journals, and telling people what they are receiving. Speaking at the San Antonio Insurance Exchange Insurance Day, he emphasized the value of service and extension of credit, and in assistance when claims arise, stressing that direct writers are tougher in their claim adjustments and that when they issue a policy they require the cash at the time of issue. He said the direct writers do not compete on an across the board basis, but specialize in certain risks. He pointed out there is no inherent evil in the profit which the middleman, the agent, receives and that this is in accord with American business practice. He urged that Texas agents keep compulsory out of the state, indicating he fears that Commissioner Bohlinger and Governor Dewey, despite the fact that they are aware of the Massachusetts experience, will succeed in bringing compulsory auto insurance to New York. He said the Texas guest law is a protection against the threat of compulsory.

Harold McAllister, San Antonio special agent for Phoenix-Connecticut, suggested the selling of an all risk policy which is similar to the stock reporting policy and opined the agent will not find it difficult to present it to a business man, since the rates are in the manual and can be written to cover losses on the business premises or away from the place of business. Mr. McAllister believes this type of cover offers a new source of sales for many agents because it is not widely sold and because it does cover a valuable asset which lost may mean the firm will be unable to return to operation of the business. He was speaking on this point in connection with loss of records, with subsequent borrowing power of the firm reduced and collection expense increased. He suggested this coverage be combined with business interruption insurance.

Harrison Hines of Hines Bros., At-

lanta, declared that the economic stability of firms is based on insurance, stating that there are three phases of the insurance business for the agent—establishment of the agency as a service business, the fact that it is here for the need of the insured, and obligation of keeping the house in order. Turning to insurance writers who base their appeal on price advantage or saving for the buyer, he said this situation can be met if the agent offers better service, is more aggressive in selling and more careful in underwriting risks. He should also stress to the buyer the advantages of the service offered by the agent. Mr. Hines does not believe the agent's commission should be cut and stated that he is on the agent's side. He emphasized, however, the importance of intelligent service by the agent to provide the buyer with adequate coverage on all his risks.

Forrest Pearson, president of Texas Assn. of Insurance Agents, spoke on the association's service to the agents, emphasizing that it was its work which assured the agent a commission on business placed with the workmen's compensation insurance risk pool. He said stock company agents can never get too much free advertising and indicated that through the work of the Texas association, the agents and companies receive free publicity which is good for all. He declared that the aggressively selling agent will prosper and grow, and emphasized the need for selling to meet the competition of the mutual and direct writing companies which base their appeal on price, citing the fact that his own agency is writing more business this year than last year.

Also appearing on the program was Carlos Coon of Browning, Coon, White & French agency, president of the insurance exchange and Drex G. Foreman, secretary of the Texas association.

Name Clegg President of Casualty Adjusters

Casualty Adjusters Assn. of Chicago elected Louis H. Clegg of the Aetna Fire group president at its annual meeting, succeeding Robert H. Moore of Security Mutual Casualty. L. A. Stuhler of Employers Mutual Liability was named vice-president, and Robert T. Luce of Casualty Mutual continues as secretary-treasurer.

Elected honorary members at the meeting, dedicated to the past-presidents, of which a good number were on hand, were D. W. Elliot of American; W. F. McNamara of Fidelity & Casualty and M. J. O'Brien of O'Brien Co., adjusters.

Agents on Ore. Code Groups

The committee on insurance code revision named by Commissioner Taylor of Oregon will have an agent on each sub-committee dealing with a certain phase of insurance. Marshall R. Brown, president of Oregon Assn. of Insurance Agents, is on the fire committee, as are J. K. Robinson, chairman, Wiley Shumm, Harold Williams and L. R. Maloney. Edward Knapp and Don Bates have been appointed to the marine committee and Fred Reed is on the casualty committee.

N. J. OK's Marine Thing

Commissioner Gaffney of New Jersey has approved the new nationwide marine definition with a specific amendment stating that it is permissible to issue the manufacturer's output policies.

Chicago Assn. of Fire Insurance Examiners officers attending annual managers' night: Left, president, Joseph O. Bruska, America Fore; secretary, Duke A. Clarin, Commercial Union Assurance, and treasurer, Robert E. Jann, Great American. Not shown is Vice-president Louis F. Hollembaek, Jr. of Aetna Fire.



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HOLDS CHICAGO ANNUAL

Rising Farm Fire Losses Present Big Job for NFWC Arm

The importance of increased vigor in the activities of the agricultural committee of National Fire Waste Council was stressed by the various speakers at that group's annual meeting at Chicago. Dennis Smith, assistant farm manager of Home at Chicago, as committee chairman presided. Mr. Smith has headed the agricultural committee for several years and under his guidance it has become one of the more important arms of the National Fire Waste Council.

The fact that farm fire losses reached a new high in 1952, along with the prospect that 1953 losses will be even higher, make the agricultural committee's work especially vital, according to Carl N. Jacobs, president of Hardware Mutual Casualty and chairman of the council's executive committee.

Mr. Jacobs said the committee expects more assistance and cooperation from the council's Washington office during the coming year. He said the reorganization plan formulated by the advisory sub-committee of the agricultural committee will be made an operational procedure. The intention is to get to more fire prevention and fire protection material directly to the farmer, utilizing the facilities afforded by the 26 national organizations represented on the agricultural committee.

George L. Chain, newspaper editor at Bushnell, Ill., and for several years chief of the fire department there, told how a rural community can provide itself with the best possible fire protection equipment.



W. H. Redeker of Centralia, outgoing president and new chairman of Illinois Assn. of Insurance Agents, at annual meeting at Peoria; W. Paul Morrissey of Alton, the new president and E. J. Dirksen, executive secretary-manager.

Arnold Selan of Underwriters Laboratories demonstrated the effectiveness of fire protection equipment designed for the farm. Other fire protection equipment and techniques were explained by A. H. Gent, chief engineer of Illinois Inspection Bureau, and Chief Carl J. Shields of the fire prevention bureau at Dayton, O.

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Committee on Reinsurance

The committee of insurance commissioners dealing with the proposed reinsurance of Constitution Life and Sterling of Chicago to form Constitution Life of Chicago consists of Barrett of Illinois, Maloney of California and Sullivan of Washington.

Details of Am. Fid. & Cas.

Preferred Stock Issue Given

American Fidelity & Casualty is offering to holders of common stock the right to subscribe at \$22.25 a share for one share of new \$1.25 convertible preferred for each share of common, subscription rights will expire Dec. 9, and any shares not taken by stockholders will be purchased by an underwriting group headed by Geyer & Co. of New York.

The new stock will be convertible into common on a share for share basis. It will be redeemable after Oct. 10, 1956 at \$23.25 to Oct. 10, 1959, at \$22.75 thereafter to Oct. 10, 1962, and at \$22.25 at any time thereafter.

Following the sale, capital will comprise 150,000 shares of the new \$1.25 convertible preferred, 75,000 shares of \$1.20 convertible junior preferred, non-cumulative, which resulted from the reclassification on a one-for-four basis of previously outstanding preferred stock, and 180,000 shares of common.

Move to Alter and Repair

Oregon Insurance Laws

Commissioner Taylor of Oregon has appointed eight industry committees charged with producing recommended legislation to improve, strengthen and broaden the existing insurance code. This is the first thorough-going study of insurance laws that has been undertaken since the present statutes were redrafted in 1917.

The chairman of the individual committees will constitute the committee of the whole with Mr. Taylor as chairman. This overall group will coordinate the activities of the individual committees and will conduct the study of the general provisions of the laws. According to Mr. Taylor, the aim will

be to "alter and repair the present legal structure rather than to erect a new structure of different design."

The announcement specifically mentions that the subject of multiple peril rating will be studied by joint action of the fire and casualty committees.

Chairman of the fire committee is J. K. Robinson of Atlas Assurance; marine, E. A. Valentine, Fireman's Fund; casualty, W. A. Brooks, Oregon Automobile; life, J. C. F. Merrifield, Connecticut Mutual; A&H, H. G. Horn, B.M.A.; title, E. T. Dwyer, Title & Trust Co.; hospital associations, Joseph E. Harvey, Jr., Oregon Physicians' Service, and motor club, T. Ray Conway, Oregon State Motor Assn.



W. Paul Morrissey of Alton, the new president of Illinois Assn. of Insurance Agents, at Peoria convention, with Mrs. Morrissey.

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Barnett Retiring, Lamar Southeast Chief of Fire Assn.

Robert B. Barnett, vice-president of Fire Association and manager of the southeastern department, will retire Dec. 31 after 28 years with the company. He will be succeeded by Hugh R. Lamar, secretary.

Mr. Barnett attended Emory College, and in 1902 started in insurance with W. E. Chapin, who represented Fire Association in a managerial capacity in the southeast. He was a partner with Mr. Chapin until 1925 when the office was taken over by Fire Association



Hugh R. Lamar



ROBERT B. BARNETT

and Mr. Barnett was made manager. He was elected a vice-president in 1945.

Mr. Lamar joined Fire Association in 1923 and has had underwriting and production assignments. He was special agent in Georgia for a time, and was elected a secretary in April, 1953. His assistant in the southeastern department will be William C. Fox, assistant manager.

Ebersol Toronto Speaker

Gene C. Ebersol, Milwaukee, divisional agency supervisor of North American Life & Casualty and a director of International A & H Assn., spoke on "Our Opportunities" at a meeting of Ontario Assn. of A & H Underwriters at Toronto.

Wolverine Agents Meet

A total of 123 agents of Wolverine of Battle Creek attended four sales and

educational meetings throughout Ohio recently. The meetings were at Dayton, Columbus, Marion and Toledo, and the agents were familiarized with miscellaneous types of casualty policies and how they should be sold.

Crop-Hail Assn. Now Rating Body

Member companies of Crop-Hail Insurance Actuarial Assn. have voted to change the nature of the organization from an advisory to a rating body. Crop-Hail Assn., with 74 member companies and 13 subscribers, has been for several years the principal statistical authority in its field, but the rates and forms for crop-hail insurance were promulgated by the state rating bureaus. It has been a rating organization only in California.

It is not anticipated that the association will begin to qualify in the states as a rating body until early next year after rates and forms it has recommended for 1954 are approved.

The association has headquarters in Chicago, and Richard J. Roth is assistant secretary and manager.

This unusual shape is a native of Australia—a boomerang.



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Ross Moore Retires, Omsberg NAUA Headquarters Chief

J. Ross Moore, the veteran secretary and manager of National Automobile Underwriters Assn., is retiring and is being succeeded by Howard S. Omsberg. Mr. Moore in January is making a trip to Italy with his sister, Miss Helen Clarke Moore, who is a talented musician and who is now retired.

Mr. Omsberg has been assistant manager. He is a Chicagoan and started with Great American in 1925 as a Northwestern University fire insurance course man. In 1929 he went into the Wisconsin field for Great American and then in 1938 went with New Hampshire Fire as state agent there. In 1942 he was promoted to assistant general agent at Chicago for New Hampshire. He has been with NAUA since 1948, having started as assistant branch secretary at Chicago. Since 1949 he has been assistant manager at New York.

Mr. Moore is a graduate of Monmouth College and school of business administration at Harvard. He started with St. Paul F. & M. in 1911, the next year became assistant secretary. During the first war he handled marine and war insurance on ocean-going hauls. He also had a period of association with Marsh & McLennan at New York. His identity with the automobile association dates from 1921, when he became assistant secretary of what was then known as National Automobile Underwriters Conference. He became the manager in 1926 and continued in that position when this was reorganized in 1930 as NAUA. For 17 of the 32 years that he has been with the organization he was also executive secretary of National Automobile Theft Bureau.

\$70,000 Newspaper Loss

Fire gutted the building occupied by the Martinsburg (W. Va.) Journal and caused an insurance loss of about \$70,000. This represented about half of the insured value of building and contents. Some 75% of the damage was to the building and about 35% to the equipment. Publication of a 2-page paper was resumed the day of the fire by printing at Hagerstown, Md. There was no extra expense insurance.

The Wood Agency of Wheeling handles the newspaper line.

Western C. & S. to Double Shares, Halve Par Value

Stockholders of Western Casualty & Surety will vote at a meeting Dec. 2, on a charter amendment which would change the par value of the stock from \$10 to \$5 and would increase the authorized number of shares from 200,000 to 600,000.

The company proposes to split its

stock two for one, giving holders of the present 150,000 shares of \$10 par value capital stock 300,000 shares of \$5 par value.

Hatfield Follows Dodge as N.E. Board Chairman

William W. Hatfield, Bridgeport, was elected chairman of New England Advisory Board at its annual meeting at Boston. This group is composed of officers of six agents' associations. Mr. Hatfield, past-president of Connecticut Assn. of Insurance Agents, succeeds Archibald M. Dodge, Portland, Me.



William W. Hatfield

Other new officers are C. Prescott Hoffman, Brattleboro, Vt., president of the Vermont agents, vice-chairman, and Edward S. Pike, Rutland, Vt., reelected secretary-treasurer.

Opposition to any type of commission regulation and to National Assn. of Insurance Commissioners subcommittee's report on uniform accounting were voiced in an unanimous resolution adopted by the board. The resolution, referring to uniform accounting, reads in part, "... in so far as it relates to any suggestion, no matter how remote, that uniform accounting data be used in connection with the regulation of insurance rates and that they (New England associations of insurance agents) actively oppose... any suggestion that the detailed expense factors in insurance rates be subjected to regulation or supervision by state supervisory officials, especially those pertaining to acquisition cost or commission factors."

Travelers Increases Year End Extra Dividend \$3

Travelers has declared an extra dividend of \$5 per share payable Dec. 12 to stock of record Dec. 1, in addition to the usual quarterly dividend of \$3 a share. This compares with an extra of \$2 per share that has been paid since 1949. Thus the distribution this year will be \$17 per share against \$14 in recent years.

7% Fire Rate Cut in Ohio

The new rates on dwelling fire insurance going into effect in Ohio Nov. 30 are reductions for the most part, and the overall amount will be approximately \$1,650,000, or roughly 7% of the annual premium on the dwelling class.

F. J. Smith to Norwich Union

Fred J. Smith is leaving the Sidney C. Tozier agency of Port Angeles, Wash., to become special agent at Seattle of Norwich Union. He succeeds Kenneth Randall, resigned.

Mr. Smith entered the local agency business at Elma in 1944 with the Frank S. Smith agency, which was founded by his grandfather. He joined the Tozier agency in 1949.

New York chapter of National Insurance Buyers Assn. will hold its Christmas luncheon Dec. 10 in New York City.

Underwriters Ins. Co. of Chicago has been licensed in Oklahoma. George E. Sears, Oklahoma City, was named state agent.



Socialist Insurer of Saskatchewan Admitted to Mont.

The National Underwriter is too stunned by the following news release from the Saskatchewan Government Insurance Office about the government-owned Saskatchewan Guarantee & Fidelity to do anything but let the readers have it word for incredible word:

The Saskatchewan Guarantee & Fidelity Company, Ltd., has been granted a license to operate in the state of Montana, announced Provincial Treasurer C. M. Fines, president of the company, today.

"I note with satisfaction," said Mr. Fines, "that the financial and other affairs of the company have been closely examined by the Montana insurance commissioner and state auditor, and that as a result of this examination the insurance commissioner has certified the Saskatchewan Guarantee & Fidelity Company as meeting the rigid requirements of that state.

"I believe that the Montana operations of our company will be of benefit to the people of Saskatchewan and Montana alike. It is a sound insurance principle that the broader the risk spread the lower the premium rate. Ours will be the largest head office in close proximity to Montana and should enable our agents there to obtain the close assistance of our experienced personnel.

"A start will be made in the eastern rural counties where conditions are similar to those in Saskatchewan. We will begin business just as soon as our agency system has been set up and printing prepared."

Mr. Fines said that he wanted to offer a special word of thanks to the insurance commissioner and his deputy in Helena for their kind and friendly reception of the company's manager and legal adviser.

Concluding, Mr. Fines hailed the venture as "a new bond and friendly link between the people of Saskatchewan and the people of Montana. In serving others we serve ourselves."

Chason Elected President of N. E. Mutual Agents

Mutual Insurance Agents Assn. of New England, at its annual meeting at Boston, elected Saul G. Chason, Portland, Me., president, succeeding Philip H. Crandon, Stratford, Conn. Others elected were John J. Clarke, West Warwick, R. I., reelected 1st vice-president; Sherman K. Ives, Thomaston, Conn., elected 2nd vice-president, and Alden L. Lane, Brockton, Mass., secretary-treasurer.

The automobile situation has improved markedly in Massachusetts, George M. Williamson, vice-president of Merchants Mutual Casualty, told the agents. He praised the new liability classification plans being used in that state, as well as Gov. Herter's demerit rating plan, calling the latter "wonderful."

"There isn't a single thing wrong with automobile insurance today that a little common sense won't correct," he observed.

Lucke in Illinois Field

Glens Falls has assigned Harry E. Lucke to Peoria as special agent for Illinois, outside of Cook, Lake, McHenry and DuPage counties.

He entered the insurance business at Chicago in 1930. After seven years as a casualty underwriter, he joined

Glens Falls in 1937 as an underwriter. In 1950, he was assigned to field work and has served as special agent in both the metropolitan Chicago area and downstate Illinois, as well as in northern Indiana and Michigan.

To Organize in Alaska

Agents of Alaska are planning to perfect an organization at the first annual meeting scheduled for Dec. 10-12 at Juneau. Kenneth A. Murray, prominent Fairbanks local agent, was in Seattle recently making arrangements for speakers.

Stewart, Smith Opening Philadelphia Office

Stewart, Smith & Co. of New York is opening an office in Philadelphia under the corporate name of Stewart, Smith (Pennsylvania) Inc., in the Public Ledger building, Independence square. This is in addition to the associated offices in Montreal, Chicago and London, and is to facilitate service to the growing number of accounts in Pennsylvania and adjacent states.

William A. Rodgers will be in charge

of the new office. He entered insurance in 1945, after service in the air force. After attending Aetna Casualty's school, he went with the Warfield-Dorsey agency at Baltimore. In 1949 he was appointed a special agent by Home, out of Baltimore.

Claude W. Patterson of Patterson Brothers Agency, Taylor, Tex., was presented an engraved silver pitcher for 25 years' representation of the Great American. The presentation was made by Fred Crawford, San Antonio, special agent.

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E. J. Quick Divests Self of Last of Muskegon County Business

The \$125,000 of coverage on the Muskegon, Mich., county airport has been transferred by the Easton & Quick agency to 16 other agents. This was done as a result of the issue that had been raised as to the propriety of that agency handling this business in view of the fact that Edwin J. Quick of the agency is a member of the board of supervisors and the airport committee. The flaw is that a supervisor may not benefit from a business transaction with the county.

Some time ago there was canceled the county general fund and road commission insurance handled by that agency but the airport business had been continued.

Prosecutor Robert A. Cavanaugh advised the board of trustees that an opinion that had been given to the board of supervisors was equally applicable to the airport.

Among the agencies receiving some of the airport business is the Hasper Insurance Agency of Muskegon Heights. That agency got liability and boiler insurance. Gerrit C. Hasper has been stirring up the issue. Mr. Hasper at a meeting the other day with the trustees and the assistant prosecutor, took exception to awarding some of the insurance to agencies which he said handled some of the airport insurance for the Easton & Quick agency.

The NATIONAL UNDERWRITER has received a "letters to the editor" communication from Mr. Hasper on the stationery of General of Seattle which is given below:

While the board and bureau companies have the victory of the "numbers", articles in your magazine point up the fact that they do not have a monopoly on the ability to offer quality based on good sense.

The horn of the dilemma of the industry at large could be posed by the

following question. "Is it incumbent upon the insurance industry to accept all risks that are offered to it for the privilege of operating in this great free country?"

The growth of the direct writers (I am not one of these and will never be one) has pointed up the fact that better underwriting can produce lower premiums without any sacrifice in coverage or claim service.

I do not concur with other methods to reduce premiums as used by the direct writers but these methods are their own business as long as they cannot force us to work for them.

I would like to point out that the American agency system will go "by the board" by the board agents taking stock in such statements as follows, "We have no argument with the price cutter; he of all people knows what his product is worth", and another favorite argument which goes about as follows, "Beware of the specialty company who does not carry its share of the burden of the insurance industry."

Let the people who say these things be reminded of the fact that the proverbial burden carrier of the world is the donkey, and that the price cutters do know what their product is worth; and the American public continues to help them grow.

I am sorry that the attempts of this agency to get public business against the unfair practices of certain local association of insurance members has resulted in news stories in your good paper and may result in further news stories in the future.

When the local, state and national insurance people make up their minds to sell insurance rather than peddle influence, the insurance industry and the nation will be better off.

I cannot imagine anything so ridiculous as a law which says that if an agent speaks or writes too strongly about the uninterrupted dividend paying reputation of his company; that he

(CONTINUED ON PAGE 27)

Bohlinger Is Chided for Singular Action on Equitable Report

Disapproval of the manner in which the New York department handled an examination report of Equitable Society is expressed in a letter written by Commissioner Holmes of Montana to Superintendent Bohlinger.

The filing of the report, which is dated Nov. 21, 1951, and covers the company's position at the Dec. 31, 1950, was announced by Mr. Bohlinger about a month ago. At the same time the superintendent announced that Thomas I. Parkinson, Equitable chairman, had informed his executive committee that he would resign in February. This was the first public notice concerning Mr. Parkinson's resignation.

The daily newspapers gave the announcement and subsequent events considerable space, inasmuch as Mr. Parkinson at first said that he was not going to resign. At a later meeting of the company's directors, called by the New York department, it was announced that Mr. Parkinson will terminate all connection with Equitable in February.

The examination report stressed that Equitable "is in sound financial condition" and that acts complained of therein in no manner affected the public. The main criticism in the report was aimed at large amounts of money spent on advertising through an agency headed by a son of Mr. Parkinson, and also at placement of business with a legal firm with which another of his sons was connected.

"It is my opinion," Mr. Holmes states in his letter, "that matters of this description are not the concern of any one insurance department. Such matters concern all of those departments in which a company is licensed to do business. Before any one state insurance supervisor should take it upon himself to act as judge, jury and executioner, he should assemble a representative cross section of other state insurance supervisors as well as representatives of the industry to determine the procedure to be taken, or if the matter is so trivial as, apparently, the Parkinson case seems to be, to expend no further time and energy in the matter."

New North Am. Shares to Get Jan. Cash Dividend

The new shares of North America created by the 20% stock dividend, it is expected, will participate in the quarterly cash dividend that will be payable Feb. 1 to stock of record Jan. 15. This is expected to be at the usual quarterly rate of 50 cents per share. The stock dividend is payable Dec. 31 to stock of record Dec. 1. Instead of fractional shares there will be issued scrip certificates.

The last stock dividend was also one of 20% and was paid in December, 1949. In November that year the authorized capital was increased from \$15 million to \$30 million. Since then the policyholders' surplus of North America with security holdings valued at market has risen from \$163 million to \$237 million and during the four years through 1953 cash dividends of more than \$35,250,000 have been paid.

Litcher to Green Bay Agency

John C. Litcher, American-Associated, St. Louis, has joined the Krautkramer agency, Green Bay, Wis., as a partner. He was formerly assistant

manager at Milwaukee and earlier operated a local agency at Fond du Lac, Wis. Following the recent death of B. J. Krautkramer, John C. Wheeler has become president of the agency.

Cushman Joins Atlanta Agency as Vice-president

The Lipscomb-Ellis agency of Atlanta has appointed Edwin P. Cushman as vice-president to supervise the newly organized brokerage and surplus lines department.

Mr. Cushman began in insurance in 1924 with Fairfield & Ellis of Boston, later was with Employers Fire, Hardware Mutuals and Fidelity-Phoenix Fire. Since the war he has been with American Foreign Insurance Assn. at the head office.

Nurses Get Insurance, Hospitals Can't, MD Says

Casualty companies that are slowing up on accepting hospital malpractice insurance are at the same time selling liability coverage to individual staff members of hospitals, Dr. C. U. Letourneau of Chicago said in a talk before a group of hospital administrators at Houston.

The theory behind this, Dr. Letourneau said, is that a jury will not bring a large verdict against a nurse, but it will take the hide off a hospital.

He went on to say that the patients are paying the higher cost of malpractice insurance, and blamed the reluctance of insurers to accept it on the fact that there is a rage of suits against hospitals and they are getting sympathetic treatment from juries.

NAIA Report at Oakland

Oakland Assn. of Insurance Agents received a report on the National Assn. meeting from Roger Chickering, president, at the November meeting. George O. Johnson, new president of the California association, gave a talk on "Selective Underwriting and Patent Medicine."

Insurance Square Club of New York will hold its annual dance and variety show of top stage and TV talent Dec. 4. Ernest J. Thomson of Phoenix of Hartford is general chairman. Other chairmen are John T. Ross of the Supreme agency; Edward T. Minor of Valentine, Ittner & Poggenburg; B. F. Thompson of the A. L. Carr agency and George W. Graham of Hartford Fire.

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L. D. Brill Elected American Mutual Alliance President

Lawrence D. Brill, president of Northwestern Mutual Fire of Seattle, was elected president of American Mutual Alliance at its annual meeting at Chicago. S. Bruce Black, president of Liberty Mutual, was named vice-president.



Lawrence D. Brill

The problem of the financially irresponsible motorist and of the uncompensated accident victim was discussed at the meeting from three points of view. Paul S. Wise, American Mutual Alliance attorney, contended that any attempt at solution of the problem should come through the establishment through private enterprise of the financial responsibility of those who subject others to the hazards of their negligent driving, rather than through the approach of seeking to compensate all accident victims through government agency. He was critical of the unsatisfied judgment fund type of approach adopted in New Jersey, and held that many features in the law indicate that it cannot operate successfully in its present form.

Joseph P. Craugh, vice-president of Utica Mutual, analyzed the effort to solve the problem in New York which has continued for almost a generation, and pointed out that over the years the problem has changed from one of inducing financial responsibility upon the part of the majority of motorists to one of getting into a financial responsibility plan the very small percentage of motorists not now insured.

J. M. Sweitzer, vice-president of Employers Mutual Liability of Wausau, outlined the failure in getting this year's session of the Wisconsin legislature to approve more than a few of the bills included in a comprehensive program which had been developed over an extended period by a legislative commission. He said public thinking on the problem has come to be almost completely dominated by a desire to be compensated, and that insurance thinking must take this attitude into account in the future.

The possibility that an avalanche of claims may develop in industry if the theory that impairment of hearing is compensable even though it does not decrease earning capacity was appraised by Noel F. Symons, Buffalo attorney who has had wide experience in this field. He contended that the economic rather than the social approach has been used from the beginning of workmen's compensation insurance in this country, and that the economic approach should be continued.

Streamlining of the handling of small property insurance losses, especially in the automobile physical damage field, was recommended as the practical method of improving unfavorable experience by Howard D. Heath, Chicago, assistant vice-president of Northwestern Mutual Fire. He held there is not much insurers can do about inflated repair costs, changes in automobile body styling and speed, but that the cutting of traditional red tape in the adjustment of small losses presents no great difficulties.

Charles S. Laidlaw, former mutual insurance executive who recently has become manager of Federal Crop Insurance Corp., said his goal is to place the operation upon a completely self-sustaining basis, and that this will require the selling of much more coverage than now exists. He indicated that there would be little expansion of the territory in which the corporation operates during the next year, however. He said that despite the protests of insurance companies writing hail coverage he does not regard it as

feasible to drop hail insurance from the coverage now provided by the corporation. He believes that FCIC's activity should stimulate the sale of private hail insurance, since a farmer can have a large hail loss on growing crops without reaching the point where FCIC is required to reimburse him.

The difficult situation which has developed in products liability was outlined by H. J. Ginsburgh, vice-president of American Mutual Liability. His opinion was that, unless some changes are made in the coverage, it will be

difficult to secure at a price the policyholder will be willing to pay.

The workings of the mutual insurance catastrophe plan in the severe tornadoes of the past year were described by Gordon Davis, Chicago, manager of Mutual Loss Research Bureau.

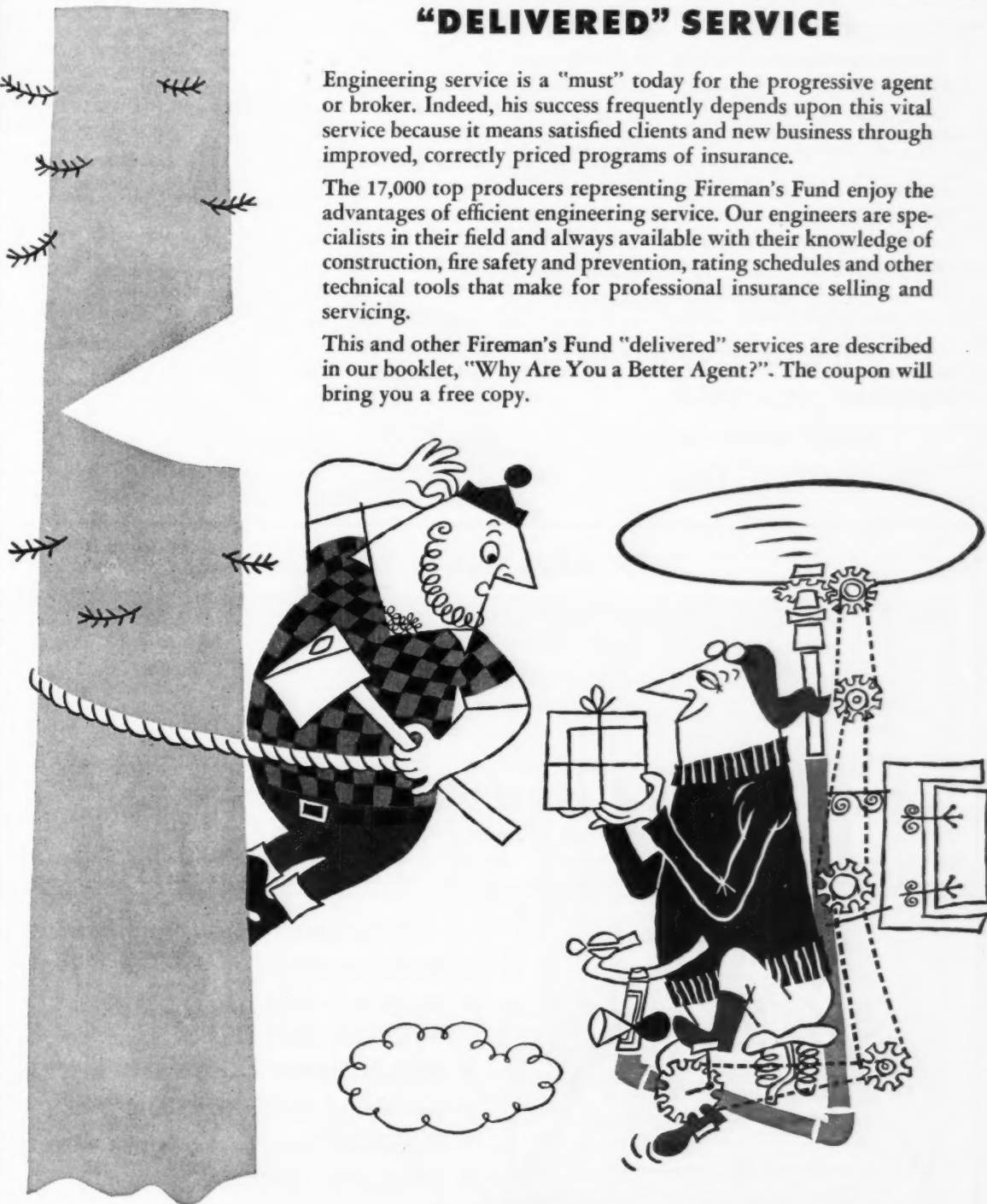
Private insurance companies have before them a job of "unselling" the American public on the existing type of hospitalization and medical insurance coverage, Robert Froehlke of the legal department of Employers Mutual

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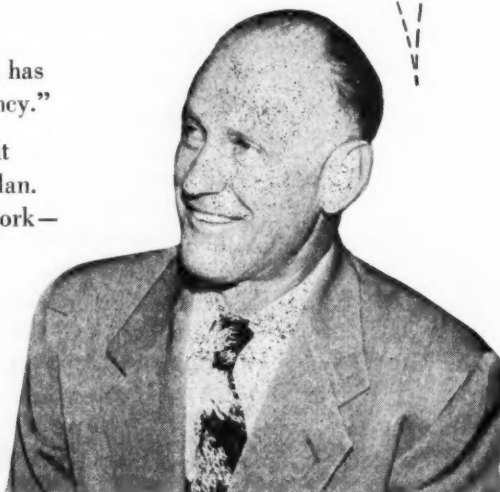
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Liability declared. He contended that the philosophy of providing coverage against minor medical and hospital costs is not sound, even though that is the way the coverage was sold to the public in recent years. He held that coverage against large hospital and medical costs is the need of the future, but that at this late date it will prove difficult to change public thinking.

An analysis of investment problems of insurance companies was presented by Mark Kemper, treasurer of Lumbemens Mutual Casualty. His conclusion was that politics cannot overcome economic trends but can have a very important influence on them, that politics will continue to be a very important factor in the investment markets, and that any investment program should take into account political policies and the influence these policies will have on the direction of the market.

Practices of lending institutions which refuse to accept mutual policies, or which confine their acceptances to a limited list of insurers without regard to the soundness of coverage offered, were criticized by Roger Kenny, insurance editor of United States Investor. He held that such situations often are due merely to ignorance or laziness, and that insurance companies themselves can do much to overcome this by educating officials of lending institutions. Where such officials have a personal economic interest in the placement of insurance, legislation may be required to solve the problem, he said.

Traynor New President of "Norbrit Guards"

William J. Traynor, assistant secretary and advertising director of the North British group, with which he has been associated for more than 30 years, has been elected president of the "Norbrit Guards," 25-year employees' service association of the group. John L. Casey was elected vice-president; Antoinette McElroy, secretary, and Jean Fraser, treasurer. Mr. Casey is general agent in the Middle Department at the U.S. head office.



William J. Traynor

W. R. Haviland, retiring president, announced that the annual reception and dinner of the Guards will be held at New York Dec. 2. It is expected that W. L. Nolen, United States manager, will make his first official appearance as a "Norbrit Guard" that evening.

Markel Facilities in Film

A 13-minute film entitled "Safety Is No Accident" has been completed by Victor Kayfetz Productions of New York, using the facilities of Markel Service, the truck and bus insurers, in producing the picture. It is a 16-mm. color film and will be offered to TV stations in black and white for telecasting immediately and in color when such facilities are available. It stresses the good points of systematic safety programs.

Bartling to Wichita Agency

Gil Bartling, who has been manager of the marine special service office of the Boston at Kansas City, has joined the Dorth Coombs agency at Wichita. Previously he had traveled Iowa and Nebraska for the Boston and before that had been for eight years in local agency work at Kansas City.

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Sees Room for Economies, Improvement in Service in Auto PHD Adjusting

Automobile physical damage adjusting is a field in which there is an opportunity to develop economies and to improve the service, according to Howard D. Heath of Chicago, assistant vice-president of Northwestern Mutual Fire, who addressed the Chicago convention of American Mutual Alliance. The average cost of physical damage losses is still increasing, he said. He gave the figures of an unnamed company but which is presumably his own, showing that in 1948 the average collision loss was \$121, 1949 \$137, 1950 \$142, 1951 \$145, 1952 \$152 and for the first nine months of 1953 \$161. Thus in that span there has been a one-third increase.

This same company in 1951 on total auto physical damage premiums of \$12 million had an incurred loss ratio of 43.1 and in 1952 on premiums of \$13 million there was a ratio of 43.2. The ratio of losses reported to policies in force was 18% in 1951, 17.4% in 1952 and 15.6% in the first six months of this year.

Thus the loss ratio is up, but the percentage of losses reported to policies in force is down. That indicates that the average cost is increasing. Among the causes he noted are inflation, body styles, use of lighter metals, new mechanical features such as power steering and electric window lifts, increased horsepower and higher speeds. In some places success has been achieved by the use of independent appraisal plans. Usually the insured's garage will accept the figures of the independent appraisal. That avoids a dispute over the garage pref-

erence of the insured. Then there is the so-called available garage plan. This is essentially a listing of garages that are pledged to give good service at a fair cost and cooperate with the insurance business in general. This could be a back-door boycott of non-cooperators, he said. In connection with this, some of the garages sponsor material damage schools and these are helpful.

The caliber of the adjusting personnel is improving, he said. Adjuster training is paramount. In the past automobile physical damage adjusting has been used as an adjuster training school and this has been an expensive school.

Glass replacement is getting to be a more important item. Good repair firms should be located and work steered to them as far as possible.

Prompt investigation, vigorous prosecution and thorough follow-up will make subrogation pay its way, he said.

Mr. Heath said agents should be encouraged to handle more of the smaller losses. At the same time there needs to be simplification of loss forms and consolidation of such forms. Then the requirements can be modified in various ways such as doing away with the necessity of signature of the insured on a long form proof of loss in connection with small claims. Some companies, he said, waive proof of loss on claims up to \$250, where the loss draft is worded so as to constitute a complete release.

In connection with small losses, preliminary notice from the agent can be

waived and the matter cleared up in one package, so to say, with proof of loss.

Northwestern Mutual has had success with use of the envelope type of loss draft. The agent signs the draft, puts it inside the envelope with the loss report and the bill to be transmitted to the company through banking channels. This also gives the agent a chance to brag about his fast loss service and get advertising value out of it. The pitfalls are that there may be drafts issued without proper coverage, and then there is always the possibility of fraudulent claims and collusion, but the overall results he concluded are beneficial.

In dealing with the independent adjuster, he said the companies must remember that they will have to pay for what they get. If they want long loss reports and complicated forms completed they must expect to pay for this work.

Mountain Surety Assn. Elects

Rocky Mountain Surety Managers' Assn. at a meeting at Denver elected C. Darwin Schenck, U.S.F. & G., president; George G. Haller, American Surety, vice-president; Charles R. Armour, Aetna Casualty, secretary. Named on the executive committee were Willis Freeburg, New Amsterdam Casualty, and George Beach, Hartford Accident.

McGrath Named at Hartford

Stephen R. McGrath has been appointed special agent at the Hartford branch of American Surety. He is a graduate of Boston College and has been with the company since 1951, starting as a trainee. In 1952 he was appointed a casualty underwriter.

Catlin Proposes Five-Point Safety Program at Albany

A quarter of a million New York motorists would probably lose their driving licenses "if their right to the highway were weighed in the scales of public welfare", Robert I. Catlin, vice-president of Aetna Casualty, declared in an address at the Insurance Day dinner in Albany, N. Y.

Mr. Catlin, who has won nationwide recognition for his work as chairman of the Connecticut Safety Commission, proposed a five-point program for a more efficient licensing program that would rid the highways of drivers not entitled to an operator's license because of their driving record, physical infirmities or other reasons. His proposals call for:

(1) Administration of licensing operations as a public welfare and safety measure and not primarily for revenue collecting purposes.

(2) A more thorough and comprehensive examination for all new applicants, adopting a plan now being used in Connecticut whereby each person is given a definite time for his examination.

(3) Issuing to new drivers a probationary license which they must carry for at least one year.

(4) Greater use of the motor vehicle commissioner's power to revoke and suspend licenses, rather than depending upon fines levied by the courts to influence driving attitudes and abilities of motorists. Mr. Catlin also recommended that all reinstatements be approved personally by the commissioner or his deputy, greater publicity

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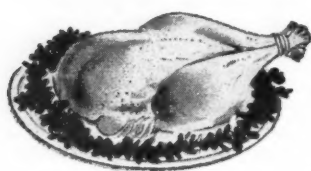
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Season gets under way. Furthermore, you
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So! To have a Happy Holiday, clean
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for reinstatements as well as suspensions, and adoption of the New Jersey plan under which reinstated drivers get a conditional "red ticket" license.

(5) Adoption of the "staggered system" providing for renewing licenses either on the operator's birth date or on the date of issue, giving the motor vehicle department the much needed opportunity, not possible with a common expiration date to review the driving record and physical condition of each motorist.

"Unless something can be done to bring the highway accident situation under greater control," Mr. Catlin emphasized, "the probability of a greater number of accidents occurring annually on our highways must be faced." But to arrest the upward accident trend, he stated, the ratio of people actively interested in traffic safety must be changed from one out of 10 to nine out of 10.

Noting the 300% increase this year in New York motorists whose automobile insurance was assigned to insurance companies because coverage could not be voluntarily obtained, Mr. Catlin criticized the principle that "he who can pay for the damages he causes should be permitted to drive," and recommended that public interest would best be served by recognizing the fundamental issue to be "who can and should drive."

Mr. Catlin also advocated compulsory periodic inspection of automobiles, asserting that "it is the state's responsibility to guarantee to the public not only the fitness of the operator, but also the physical condition of the automobile he drives."

Turning to other means of controlling traffic accidents, Mr. Catlin said an educational program designed to teach every youth graduating from a secondary school to operate a car intelligently and safely was highly essential, especially as we look to the future. He also stressed the need for adult training, especially among those who have never had any special instruction in driving or in the knowledge of legal requirements.

"The pressing need at the moment involves the field of enforcement," Mr. Catlin said, adding that he could not "overemphasize the growing importance of enforcement as the answer to the present serious traffic accident situation."

Travelers Names Smith as Associate Actuary

Seymour E. Smith has been appointed associate actuary of the casualty and fire actuarial departments of Travelers. He is a fellow of Casualty Actuarial Society and is now president of the society.

He joined Travelers in 1934, following graduation from Trinity College. He entered the casualty actuarial department in 1938. After navy service in the last war he joined the compensation and liability department in 1946, was appointed assistant secretary of the department in 1948 and secretary in 1950.

Standard Claim Appointments

New claim appointments by Standard Accident include Robert D. L. Crandall at Bridgeport, David A. Sowney at St. Louis, Richard F. Finch at Philadelphia and William J. Lonergan at Hempstead, L. I.



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Daenzer Secretary of Security-Connecticut

Bernard J. Daenzer has been elected secretary of the Security-Connecticut companies and will be in charge of the agency development department.



Bernard J. Daenzer

After graduating from Fordham in 1937, he entered the insurance business at New York City. For the next six years he was as an underwriter and a field man in the metropolitan and suburban territories. At the same time, he attended Fordham University law school and became a member of the New York bar in 1942.

In 1943, he joined Security and Connecticut Indemnity at Chicago and traveled 13 mid-western states in the development of casualty business. After navy service, he was made superintendent of agencies in 1947 and aided in the formation of the agency development department. In 1950 he was elected assistant secretary of both companies. He became a CPCU in 1947 and is secretary of the Connecticut chapter.

Hval Travelers Casualty Manager at St. Paul

Thor M. Hval has been appointed casualty and surety manager of Travelers at St. Paul. He has been with Travelers since 1936 and served in the office manager's department at Duluth and Oakland.



Thor M. Hval

Transferring to the agency department in 1948, he was appointed a field supervisor at Oakland and in 1951 moved to Minneapolis as assistant manager. He is a CPCU, a graduate of University of Minnesota and an army veteran.

N. E. Pa. Claim Men Elect

Lawrence W. Thayer, Dalton, Pa., was elected president of Northeastern Pennsylvania Claim Men's Assn. at a meeting at Scranton. John Van Loon, Wilkes-Barre, is vice-president; John Gabler, Scranton, secretary, and Patrick Grady, Scranton, treasurer.

School Loss at Houston

An insurance loss of \$150,000 was sustained in a fire which badly damaged the Cunningham school of Houston, a newly erected structure which had not yet been put into use. Companies on the line were General of Fort Worth, \$75,000; Merchants Fire of New York, \$35,000, and Norwich Union, \$40,000.

Houston carries only about 50% insurance on its 145 schools, relying on a \$500,000 reserve fund to take care of any larger losses. The value of the building involved in this fire was estimated at \$319,000 and the total loss at \$155,000.

The building was located just on the city limits. There were no fire connections in the city near the school and the fire department had to go several blocks into suburban Bellaire to find any. There has been considerable criticism of the construction of the school, which is claimed to have been of a very flimsy type.

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Frank Ludington Is Grain Insurers Head

Frank L. Ludington of Atlas was elected president of Underwriters Grain Assn. at the annual meeting at Chicago. He takes the place of Hugo La Rue, secretary of America Fore, who recently retired. E. D. Lawson, Fireman's Fund, was elected as a new vice-president and reelected as vice-presidents were H. A. Clark of Firemen's and M. E. Peterson of Springfield F&M. Secretary is R. C. Steinbeck; treasurer H. R. Stanton, and Edward H. Born, K. S. Ogilvie and C. E. Harbin, who is the general manager, are the attorneys.

New members of the executive committee are John G. McFarland of American and Roger B. Shepherd, Jr., of St. Paul F. & M. Those reelected are P. S. Beebe of Hartford, L. J. Fischer of Home, V. L. Montgomery of North America, C. W. Olsen of Sun, G. L. Pickens of Phoenix of Hartford, W. A. Seely of Crum & Forster, and H. P. Winter of America Fore.

Mr. Harbin in his report said that the association has enjoyed a satisfactory year.

Meeker-Magner Life Business Encouraging

The Meeker-Magner agency at Chicago, which less than five years ago opened a life insurance department, now is producing a considerable volume in those lines and for the first nine months of the year wrote well over \$1 million of new life business. Group production for the same period totaled \$3,971,000 and the prospects are excellent that the group total will reach \$5 million before the year-end.

To instill interest among its brokers and better qualify them for writing life lines, Meeker-Magner periodically holds business life insurance schools. A home office representative of Canada Life, the company which Meeker-Magner represents, conducts the school and assists those attending by accompanying them on sales calls.

New Senate Leader in N. Y. Has Insurance Background

ALBANY—Sen. Walter J. Mahoney of Buffalo, designated this week as leader of the Republican majority in the New York senate and acting lieutenant governor, is well known to insurance people in the state, as he was for some years chairman of the senate insurance committee and was the first chairman of the joint committee on insurance rates and regulation, now headed by Sen. Condon of Yonkers.

Sen. Mahoney was designated for the leadership posts following the resignation from those posts of Sen. Wicks of Kingston. Wicks was forced out by Gov. Dewey because of his prison visits to Joseph S. Fay, convicted labor extortionist. Sen. Mahoney stated Oct. 21 that he had been counsel for the Hamburg Raceway, a trotting track, and that the Multiple Line Insurance Agency of Buffalo, of which he is a director, had written insurance for the track, but that he had severed his connection with the track two weeks earlier because he feared "misinterpretation."

However, this statement created almost no political stir, despite the current investigation of racetrack racketeering. In view of his selection for the leadership jobs, he is regarded as a

definite possibility as a candidate for governor.

C.P.A. Is CPCU Speaker

Roman Sevenich, C.P.A., addressed the November meeting of the Minnesota CPCU chapter at St. Paul. He discussed the significance of auditing techniques in connection with fidelity coverage and the coinsurance clause in fire policies. The question period following his talk brought out many fields where closer contact between accountants and insurance men would result in better service.

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Robinson Warns Against Use of Surplus Markets For Lower Rates

COLUMBUS—Holders of surplus lines licenses in Ohio have been reminded of the provision in Ohio's unauthorized insurers laws which prohibits placing insurance with non-admitted companies simply to procure lower rates than those filed by admitted companies. Superintendent W. A. Robinson, in a bulletin to licensees, states that this practice is understood to be going on and that it violates both the letter and spirit of sections 3905.30 to 3905.35, inclusive, of the revised code.

Mr. Robinson's bulletin also points out that coverage is being placed with non-admitted insurers, with only technical variations from filings by admitted carriers. He points out that a licensee who places any surplus line must be able to satisfy the superintendent that the coverage is not in fact available in the admitted market and is not designed to evade the mentioned sections of the code.

Kansas Mutuals Elect C. L. Smalley President

Officers named at the annual meeting of Kansas Assn. of Mutual Insurance Companies at Wichita included: President, Clyde L. Smalley, president of Alliance Cooperative, Topeka, succeeding J. P. Barnes of Patrons Mutual, Olathe; vice-president, R. R. Bennett, Farmers Mutual of Marysville; secretary, Carl J. Richert, Midland Mutual, Newton, (reelected). Theo Gfeller holds over as director of the National association.

It was recommended that an agents manual for mutual agents be developed, as well as a speakers kit. It was stated that any change proposed in the Kansas agents' qualification law is to be watched closely by the group to assure that it will not be harmful.

Speakers included L. Keith Murry, Allied Mutual state agent, Topeka, "Negative Selling"; Harry P. Cooper, Jr., of the National association, "Loss Prevention Fund"; Perce Harvey, Harvey Advertising Co., Topeka, "Insuring Your Advertising"; Mr. Smalley, "Agents' Relations"; Russell R. Brown, Kansas department, "Observations"; Ralph C. Weed, Alliance Cooperative chief underwriter, "How to Underwrite a Down Market," and Ewing B. Fergus, manager Kansas Inspection Bureau, Wichita, "Rate and Rule Changes".

A panel on adjusting problems included W. J. Schultis, Farmers Alliance; C. M. Rhodes, Marysville Mutual; W. C. Baker, Topeka adjuster; E. E. Bonar, Patrons Mutual; Glenn Mil-

ler, Upland Mutual, and Glenn H. Smith, Republic Mutual.

Richard Montgomery, formerly with General Adjustment Bureau and Farmers Mutual claims department, has entered the local agency business at Bellingham, Wash., and has acquired an interest in Dwyer Realty Co.

Aircraft Wind Damage at Houston \$155,000

About 25 multi-engine airplanes, most of them of the industrially owned variety, were damaged to varying ex-

tent by the windstorm which struck Houston airport Oct. 28. About half of them were uninsured.

An informed estimate places the total insurance loss to 14 insured planes at \$155,000.




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Marine, Fire and Casualty Insurance

Risk Distribution Under New Auto Plan Is Studied

An indication of the distribution of risks within the framework of the new expanded automobile classification plan was given by J. M. Muir in an appearance before the casualty and automotive underwriting conference of mutual people at Chicago. Mr. Muir is secretary of Mutual Insurance Rating Bureau.

It is estimated that 75% of the risks under the old classification plan fell in class 1, 15% in class 2 and 10% in class 3. Experience so far indicates that 47% of the class 1 risks are falling in 1A, 33 to 34% are falling in 1B, and 19 to 20% in 1C. About 50% of the class 2 risks are going into 2A, 20% into 2B and 30% into 2C.

Mr. Muir gave a rundown on the automobile rating and classification picture and one thing and another in general. He took up the matter of high school driving courses and what, if any, rate concession should be given for completion of such training. In Massachusetts a survey was made of the motoring conduct of 500 youths that had no high school driving training, 500 who had classroom training exclusively and 500 who had both classroom and behind the wheel experience. On the score of accidents the untrained drivers had a factor of 7.2, classroom training group, 7.4 and practical driving training 6.5. On the score of violations the comparable factors were 28, 23.6 and 17.2. Mr. Muir, however, indicated the belief that these figures like those derived from other similar surveys are fragmentary and inconclusive. He said there has been a suggestion that in Massachusetts there be instituted a program under which a 15% rate credit under class 2 would be given for cars in connection with which every operator under age 25 who has completed the high school driving course and where there has been no BI accident or PDL claim of more than \$50 presented in a specified period. The mutuals and the stock companies are making studies in Virginia with the assistance of the board of education and the cooperation of the motor vehicle department. However, he said, the results need to be handled with extreme caution and careful analysis.

Mr. Muir gave a review of merit rating experiments over the years. He said that in connection with merit rating there would have to be considered the matter of the facility for proper administration of the plan, and there has to be devised a means to balance the rate level. In the matter of administration there are many problems including public relations, internal methods of operation, the problem of securing good information, the effect on claim settlements and the assigned risk situation.

He said that a balanced all-credit plan requires a loading at the outset that will neutralize what the accident-free risk receives in the way of a credit or rebate. For instance, if 90% of the policyholders are to get a 10% discount, then 9% of the premiums will be distributed in discounts and there has to be a loading of the rate to the tune of 9%. The tangible effect is not sizable, he said. However, merit rating has a psychological virtue. It appeals to the average buyer. An objection is that in periods of rising loss costs and rate increases it would be difficult theoretically to get the state to approve

the necessary loadings.

Under a surcharge or demerit rating plan the insured doesn't feel that he is getting specific recognition. Mr. Muir indicated the belief that the strongest argument of the merit rating advocates is that it is likely to have a favorable public relations effect.

This was a conference of both Mutual Insurance Rating Bureau and Mutual Insurance Advisory Assn. The headquarters of these companion organizations have just been moved to 111 Fourth avenue at New York. They were at 60 East 42nd street. MIRB handles automobile general liability, burglary and glass, while the jurisdiction of MIAA is fire, workmen's compensation and automobile physical damage. F. A. Fleming is general manager of both. C. H. Graves is actuary of both while Mr. Muir is connected only with MIRB.

America Fore Companies' Year-End Payment 35 Cents

Continental and Fidelity-Phenix have declared year-end dividends of 35 cents in addition to the regular quarterly dividends of 65 cents. Both are payable Dec. 15 to stock of record Nov. 30.

Correction as to Hanover

One company, Hanover Fire, was inadvertently dropped out of the list of U. S. insurers that write coverage abroad in the Nov. 5 issue. Hanover is one of the important companies that American International Underwriters handles for foreign coverages.

Three New Directors

E. Clayton Gengras, Colonel W. H. Miller and James N. Smith have been elected directors of United National Indemnity of National Fire group.

Mr. Gengras is president and treasurer of Fire & Casualty Ins. Co. of Connecticut. Mr. Miller is a vice-president of the Hanover Bank of New York, and Mr. Smith is president of Meinel & Wemple, reinsurance brokers.

H. A. Reinebach was the speaker at the November meeting of Springfield Ill., Assn. of Insurance Agents. Mr. Reinebach is Springfield manager of Illinois Inspection Bureau.

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Workmen's Compensation Policy, Due Next Year, Is Described by Randall Kean

Many Endorsements Will be Eliminated; W. C. and O. D. Provisions Give Full Cover Under Single Form

The first major change in 40 years in the basic workmen's compensation policy is now only about seven months removed from actual use. It has been approved in 34 states, and in four states having bureaus working independently of National Council on Compensation Insurance, it has also been approved and gone along to the insurance departments.

An exposition of this new policy in a detailed way was given by Randall C. Kean, assistant secretary of American Mutual Liability, in a talk last week at Chicago before Mutual Insurance Advisory Assn. Mr. Kean, a member of the policy forms committee of the National Council on Compensation Insurance, was one of those who helped draft the new form.

The old W.C. policy has served well and relatively few questions of coverage have arisen under it, he said. However, during its existence, there have been several changes in state laws as well as changes in underwriting methods.

Perhaps the most important changes in compensation laws have been those establishing requirements as to what the policies should cover. Some states require that all operations of an employer at a specific location shall be covered; others require coverage of all operations in the state, and still others require that all operations in a specific business shall be covered.

The underwriting changes include establishing a per accident limit for employers' liability and establishing a different limit of liability for occupational disease. Then there has been the inclusion of loss and expense constant provisions, the payroll modification and its endorsement and the executive officers' remuneration changes.

Most of the changes were not applicable on a country-wide basis. It has been necessary to attach state endorsements citing the compensation acts applicable. The policy is drawn upon the basis that such endorsements will be attached. In addition, the state endorsements generally contain paragraphs dealing with special state requirements.

All in all, the policy has become complicated, costly to issue and difficult for most people to understand.

In developing a simplified policy decisions of underwriters were sought and among the important questions were: What operations are to be covered? It was finally concluded that the policy should cover all operations at all locations within the state or states designated, and operations necessary or incidental thereto.

With respect to paragraph one (b), should provision be made in the policy for voluntary compensation? It was decided that it should be added by endorsement.

What coverage should be afforded

under employers liability? Should it include coverage for traumatic injuries only, or for occupational disease or disease? It was ultimately agreed that all of these should be covered.

What limit should apply under paragraph one (b)? The present policy, without endorsement, has no limit. It was decided that a basic policy limit of \$25,000 be established.

For many months the policy forms committee, assisted by other appropriate committees of the National Council has been developing the new policy and finally there has been adopted the standard provisions program.

This program consists of the standard policy provisions, including the declarations page, together with a set of general instructions. Also developed are a number of endorsements designed to conform the policy to certain indi-

vidual state requirements, generally statutory in nature, which have the effect of enabling endorsements. Certain other endorsements have been prepared, such as those to provide coverage for maritime and other employments subject to federal law, voluntary compensation for non-subject employees and those to satisfy other special rules and requirements.

Not all of these endorsements are completed as yet but they are being drafted and will be adopted and filed in due course.

A complete memorandum of advice and direction will be prepared to guide the companies in connection with issuing the new policy. A legislative program will be developed since it is hoped that the state legislatures, in some cases, can be prevailed upon to amend the laws and eliminate the need for several enabling endorsements. Finally, recommendations will be submitted for certain manual rule changes to achieve uniformity and thus eliminate the need for some endorsements.

The new policy can be used in many states for the majority of risks without a single endorsement.

The basic concept of the new policy (CONTINUED ON PAGE 21)

FIA Tallies Livonia Loss and Details Its Final Lessons

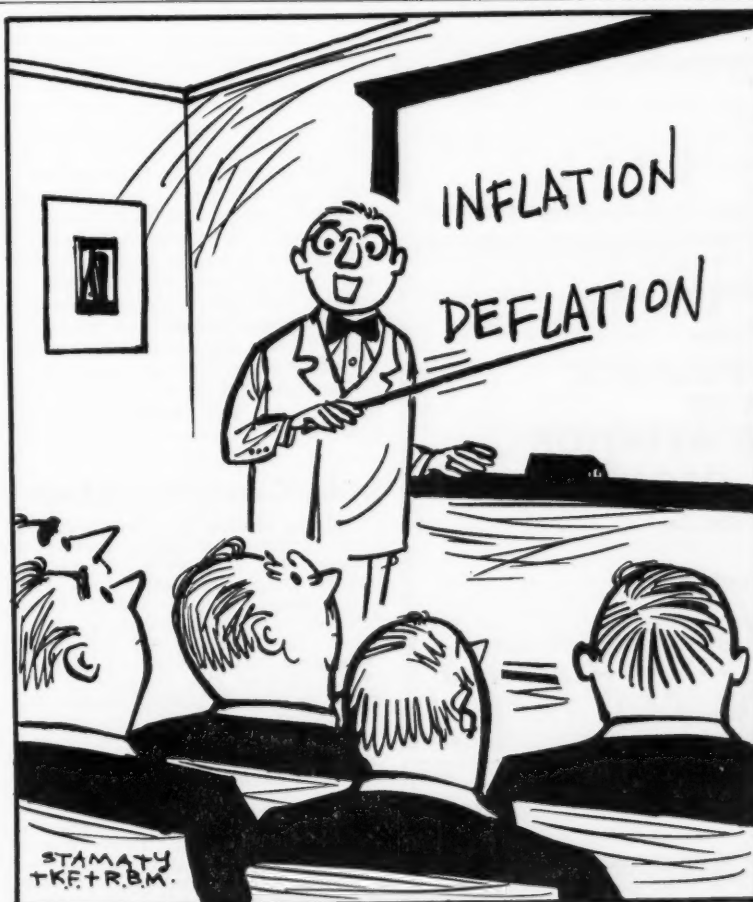
Factory Insurance Assn. has discussed the lessons of the General Motors Corp. fire at Livonia, Mich., last Aug. 12 on several occasions, but in the latest edition of its publication, the "Sentinal", it sets these down again and this time in a succinct way. Now that the smoke from the fire has cleared, it points out, the lessons have become so apparent they constitute answers to questions about the extent of the destruction at Livonia in both dollars and acres and why a modern building of supposedly non-combustible construction could so rapidly succumb to the fire hazards of a metal worker or machine shop. These lessons are:

Since the basic consideration is that of protecting bare structural steel from excessive heat exposure, whether from combustible constituents within the occupancy or from those of conventional built-up roof coverings which prematurely may drop into a burning building, or both, the provision of automatic sprinkler protection throughout such a structure is a prerequisite to fire safety.

Another basic consideration is that of limiting an area subject to one fire through the use of adequate fire walls or fire barriers. In the event that sprinkler protection is impaired when fire strikes or water supplies become overtaxed by virtue of unfavorable conditions existing or developing at the time of a fire, the use of hose streams provide the second line of defense. Unless there are such walls or barriers from which to fight and close in upon a fire, particularly in areas that are exceedingly wide, the use of hose streams may be ineffective.

In order to quickly vent a large area of heat, smoke and noxious gases so that premature evacuation of fire fighting agencies does not occur, and further to prevent the wholesale "mushrooming" of hot gases beneath

(CONTINUED ON PAGE 20)



"NOW, TODAY WE'LL DISCUSS SWITCHING THE SALES STORY BASED ON INFLATION TO A SALES STORY BASED ON DEFLATION."

Use of Term "Direct Basis" Is Causing Confusion

From a company executive:

Every so often a company is described as writing its business on a direct basis, the meaning being that it handles its connections with local agents through its own staff organization of special agents rather than through general agents.

In this day where we hear so much about the direct writers we think this terminology regarding special agency vs. general agency handling should be corrected or amplified to avoid confusion between direct writers and companies whose business is produced through agents. Perhaps we could better describe the direct company-agent basis by referring to it as a direct agency basis.

Duffus, O'Connor at Long Island Meeting

Over 200 attended the dinner meeting of Nassau County (N. Y.) Assn. of Insurance Agents at Freeport last week, the group including a number of

non-member agents and also agents from neighboring Long Island counties. The dinner featured a forum at which Roy A. Duffus, Rochester, N. Y., gave a number of casualty and agency management pointers and J. C. O'Connor, Cincinnati, executive editor "Fire, Cas-

ualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, discussed the commission situation.

President A. R. Valentine, Mineola, in welcoming the guests, pointed out that the Nassau county group is the largest county board in the state and appealed for united action in meeting the serious problems of agents, particularly the threat of compulsory automobile insurance. G. A. Kramer, Jr., Williston Park, vice-president, was toastmaster.

Mr. Duffus stressed the importance of knowing rules and forms, pointing out several specific instances of use of relatively obscure rules providing insured with better protection and cementing relations with clients. He urged agents to build up their organizations by treating their employees as well as possible on salary, working conditions, pension plans, etc., and also by giving young men a chance to take over responsibilities. He also urged complete cooperation in local board activities, saying that no insurance man is able to write all the business in his community and that sharing knowledge with competitors hurts no one and helps everyone. He described several civic activities in which agents have participated, individually and as a group, and the good which this does in public relations. A suggestion which got a particularly noticeable reaction from the audience was to write automobile liability and physical damage insurance in the same company, but in separate policies, expiring six months apart. That, from a coverage viewpoint, gives the insured all the advantages of a single policy and makes payment much easier, physical damage premiums being what they now are.

Mr. O'Connor, after reviewing the various compensation arrangements used by different types of insurers, emphasized that no system, in any business, lasts long unless it is satisfactory and profitable to both parties. He said that, before jumping to any conclusions about competitors of agency companies having a decisive advantage because of acquisition cost, insurance men should try to find how much other factors, such as rigid underwriting and aggressive sales methods, affect the picture. He predicted that time and economic processes will answer many questions along these lines and urged agents to consider carefully the value of their independence and ownership of their business, in contrast to other systems.

Dodge County Agents Elect

Officers elected by Dodge County Assn. of Insurance Agents meeting at Beaver Dam, Wis., were I. C. Becker, Beaver Dam, president; Hugo Roll, Iron Ridge, vice-president; Frank Schindlerle, Mayville, secretary.

Carl H. Roggenkamp, Milwaukee, state agent for Ohio Farmers, talked on "Year Around Fire Prevention Programs." Eleven Dodge county fire chiefs were guests of the agents.

Nelson Educational Director

Thomas M. Nelson, former attorney in the home office claims department, has been named to the newly created position of educational director of Texas Employers and Employers Casualty. Mr. Nelson, since 1944, has been a professor of insurance at Southern Methodist University.

Hold Adjusters' School in Cal.

General Adjustment Bureau has just concluded a five-day fire training school on fire loss adjustments which was attended by 28 adjusters in the

northern California department. The school was conducted at Palo Alto and covered all phases of fire losses. A number of fire company executives were speakers.

1953 Fire Losses Running 16% Over 1952 Figure

Fire losses of \$68,551,000 reported by the National Board for October bring the total so far this year to \$751,896,000, 16.4% over the first 10 months of 1952.

Losses for the first 10 months of 1953 and the two preceding years are:

	1953	1952	1951
Jan.	76,659,000	74,155,000	68,686,000
Feb.	72,706,000	69,925,000	69,136,000
March ..	83,471,000	72,254,000	71,507,000
April	67,362,000	67,380,000	62,965,000
May	64,239,000	62,354,000	58,744,000
June	67,644,000	58,583,000	56,403,000
July	74,936,000	61,675,000	52,220,000
Aug.	107,713,000	56,462,000	55,416,000
Sept.	68,613,000	58,949,000	53,398,000
Oct.	68,551,000	63,958,000	54,660,000
Total ..	751,896,000	645,697,000	603,135,000

Instill Traffic Safety Idea in Dallas Teen-Agers

Dallas Assn. of Insurance Agents and Dallas Traffic Commission co-sponsored a day-long "Youth for Traffic Safety Conference" at Southern Methodist University, with 600 teen-agers in attendance.

Gov. Allan Shivers delivered a televised keynote address and Carl H. Hunt, Dallas association president, welcomed the delegates for the insurance men. The delegates divided into 12 conference groups and later met in a general assembly at which they adopted resolutions, including recommendations for:

Six-month probationary period for youths under 18 before they get permanent driver's licenses; minimum age of 14 for participation in school driving courses; separate traffic courts for teen-agers up to 19; traffic safety courses for adults and youths alike after repeated violations; inter-school competition in safe driving, complete with awards; tests every two years for motorists over 60 desiring to renew their driver's licenses, and an annual traffic safety conference like the one in which they were participating. The delegates took the recommendations back to their schools for further promotion.

Charles R. Eversole and C. M. Patrick served as adult advisers, representing the Dallas agents.

Chapman to Denver Agency

J. R. Chapman, who has been manager at Kansas City for Associated Aviation Underwriters, has become a partner in the Hackstaff & Chapman agency of Denver.

Mr. Chapman was with Marsh & McLennan at Chicago from 1934 to 1942. After service in the navy during the war he joined Associated and opened the Kansas City office.

Mr. Hackstaff has been president of the Frederick R. Ross investment company.

F.&D. Promotes Dytman

Richard G. Dytman, special agent in Oklahoma for Fidelity & Deposit and American Bonding, has been named to head the Grand Rapids, Mich., service office. A graduate of Colgate, Mr. Dytman went with F. & D. in 1947 and was special agent in Syracuse, N. Y., until 1948, when he transferred to Oklahoma City.

G. Archer Timm, who recently completed service in the air force, has joined his father in the George Timm & Co. agency, Kenosha, Wis., as underwriter and account analyst. His father is past president and chairman of Wisconsin Assn. of Insurance Agents.

Clarence R. Yanch, local agent of Houston, is putting up a one-story building at the corner of Brazos and Drew at a cost of \$50,000.



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IWO SETS PRECEDENT**Says Financially Sound Insurers Can Be Liquidated**

NEW YORK—The forced dissolution of International Workers Order, recently upheld by the U. S. Supreme Court, established that an insurer whose objectives are improper may be liquidated even when it is in sound financial condition, according to Alfred C. Bennett, special counsel and attorney for the liquidation bureau of the New York department.

Mr. Bennett observed that the courts had found the fraternal insurance activities of the order an excuse for its fundamental aim, which was to aid the Communist party. According to the court decision, this political motivation established a real financial hazard, even though IWO had sufficient reserves and cash to meet legal requirements. Hitherto, the department had sought dissolution of insurers only when their financial condition was unsound.

Mr. Bennett's lecture, covering the history and activities of the liquidation bureau, was the third in a series of 30 scheduled during the second year of the department's training program for examiners.

Since establishment of a permanent liquidation bureau in 1910, Mr. Bennett said some 350 companies have been taken over by the department in accordance with a regular procedure.

Iowa Mutuals Elect**C. F. Hawley as President**

Charles F. Hawley, Pocahontas Mutual, Laurens, was elected president of Iowa Assn. of Mutual Insurance Assns. at the annual meeting at Des Moines. He succeeds J. M. Winchell, Mutual Fire & Automobile, Cedar Rapids, who was named Iowa delegate to the 1954 national convention. Mr. Hawley's father, F. K. Hawley, was association president in 1933. Leonard K. Sharp, Mill Owners Mutual, Des Moines, was named vice-president, and Harry L. Gross, Iowa Mutual Tornado, Des Moines, renamed secretary.

The association adopted a resolution urging promotion of driver training programs in secondary schools. C. R. Bishop of Chicago, chairman of the public relations committee of the National association, recommended that the local agents use local promotion and advertising programs instead of depending on national advertising.

Spencer Shaw of Chicago, manager of the northern central division of U.S. Chamber of Commerce, urged the companies to help Congress lower taxes and enforce economies.

Atlanta General Agency

C. M. Gladson and H. M. Kite formed the Gladson & Kite general agency at Atlanta, representing Standard Marine. Mr. Gladson was formerly state agent for North British and Mr. Kite was state agent for Royal Exchange. Their offices are in the Haas-Howell building.

Celebrates 25th Anniversary

Motorists Mutual of Columbus, O., celebrated its 25th anniversary this week. Officers of the company and others spoke, the meeting closing with a banquet. Carl N. Crispin is president.

D. C. Board Gives Counsel

District of Columbia Assn. of Insurance Agents was requested by United Community Services, through W. J. Haggerty, manager Occidental Life of

California and UCS budget committee chairman, to draw up a program for protecting funds of Community Chest affiliated agencies through fidelity bonds and other appropriate insurance. The association submitted a detailed report and received a letter of appreciation from Mr. Haggerty.

Asks Ga. WC Revision

Georgia workmen's compensation law revision was suggested by Gov. Talmadge in his address to a holdover session of the legislature. "Wherever the law may be found to be below the average of other southeastern states, let me urge that its provisions be adjusted in order to more adequately protect labor, at the same time being fair to management and fair to the public," he said.

A compulsory auto liability insurance bill was introduced in the Georgia legislature.

Explains Coast BI Form

The new business interruption form that has been introduced on the Pacific Coast was explained to Fire Underwriters Forum of San Francisco by K. W. Withers, executive general adjuster of General Adjustment Bureau, at the November meeting.

Increase in D. C. Premium Tax by .5% Is Proposed

WASHINGTON—Tax on D. C. insurance premiums will be increased from 2% to 2½% if the program of the D. C. commissioners for financing an extensive public works program is authorized by Congress. This increase would yield estimated \$500,000 annual revenue.

Hear Thompson at Dallas

Will C. Thompson, Dallas attorney, addressed Dallas Casualty Underwriters Assn. luncheon meeting on "Legal Interpretation of 'Regular and Frequent'" in automobile insurance. Mr. Thompson has served as counsel for the subscribing companies of Texas Automobile Insurance Service Office at Austin for 25 years.

Commissioner Fight in N. C.

RALEIGH, N. C.—A contest for insurance commissioner was assured for next year when John N. Frederick, independent adjuster of Charlotte, announced he would be a candidate for the Democratic nomination.

Commissioner Charles F. Gold, who was sworn in on Nov. 16 to succeed

Waldo C. Cheek, previously had announced he intended to seek the nomination, which in this state is tantamount to election.

Mr. Frederick ran against Mr. Cheek in 1952. At the next primary in May, 1954, the candidates will be seeking the last two years of Mr. Cheek's term.

Hearing on 6-Months Policy

RALEIGH, N. C.—Commissioner Gold will hold a public hearing Dec. 15 on an appeal from North Carolina Fire Insurance Rating Bureau by Dixie Fire & Casualty of Greer, S. C., American Motorists, Lumbermen's Mutual Casualty and American Manufacturers Mutual.

The companies appealed from the bureau's refusal to adopt their six-month policy for auto physical damage. They proposed a policy written for six months at 50% of the annual premium which could be extended for another six months at 50% of the annual rate in effect at the time of the extension.

The White & Co. agency of Pittsburgh has undergone a name change and is now to be known as Weaver & Grose. The principals are Wayne O. Weaver and Foster M. Grose, Jr.

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A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Evansville Cops Two Trophies at Ind. Meet

INDIANAPOLIS—The Evansville association walked off with top honors at the recent Indiana Assn. of Insurance Agents convention, winning two of three trophies awarded annually to outstanding local boards.

The Evansville group won the Herman C. Wolff Achievement Trophy for securing the greatest amount of favorable publicity during the past year, and the Wolverine trophy for sponsorship of the most outstanding program in safety and accident prevention.

The other trophy awarded by William C. Myers for all-around local board proficiency and activity went to the South Bend-Mishawaka group.

Awarding of the trophies highlighted the closing session of the Indiana meeting.

The association by resolution urged expansion of the Indiana assigned risk plan by increasing the present BI limits of \$5,000/\$10,000 and PD limit of \$1,000 and also extension of the plan to provide physical damage and medical expense coverages. Also recommended was adoption of the national plan whereby 48 hours are allowed for reporting on a risk rather than 15 days.

In another resolution, the association called on the rating bureaus to issue all rate, rule and form changes on blue paper so as to make them distinguishable from other bureau releases. It also requested that a more detailed summary be provided with all notices of revisions.

Agencies Employ Students in Unique N. Y. Course

Students at Central High School, Syracuse, N. Y., are working part time with local insurance agencies in a course believed to be the only one of its kind in the nation. The course was organized in 1952 by Miss Helena Smith, business education teacher, and won the approval of Harold Coon, assistant superintendent of schools, and William McIntosh, principal of Central High.

Working as co-sponsors of the course are the city's Insurance Field Club, Casualty & Surety Club, and Underwriters Exchange. Edwin Weeks, head of the school's business education department, is seeking to have the class approved by the state education department as a regular course of study.

Topics covered include history and development of insurance, the agency, and such fields as fire, inland marine, automobile, casualty and fidelity. Authorities in these particular lines address the class, discussing actual cases and answering questions.

Harding Clermont Co. Chief

L. L. Harding, Jr., Milford, is the new president of Clermont County (O.) Assn. of Insurance Agents. He succeeds John Harbauer, also of Milford. The new vice-president is William H. Quin, Owensville, and W. L. Gray is secretary.

Agents Want Slower Auto

One of the resolutions adopted by the Kentucky Assn. of Insurance Agents at its annual meeting was to the effect that automobile manufacturers should quit building cars designed to go faster.

At the Louisville convention the agents also took a stand against the practice of some companies and general agents of appointing agents for the purpose of writing controlled busi-

ness, and another resolution asked for strict enforcement of the financial responsibility law.

Glens Falls Cites Gains in Nine Months '53 Period

The Glens Falls group in the first nine months of 1953 showed a gain of 9.3% in net premiums written, an increase of 11.5% in income from investments, not including capital gains, while net income after federal income taxes amounted to \$2.72 per share as compared to \$2.42 for the same period in 1952.

Premiums written totaled \$55,917,481, an increase of \$4,742,061 over the same period of last year. Earned premiums amounted to \$52,173,294 compared with \$46,331,156. Incurred losses increased to \$25,465,844 from \$22,962,451, and total expenses were \$22,007,932 compared with \$20,569,214. Income from investments for the first half of the year amounted to \$1,939,593, not including capital gains.

The consolidated capital, surplus and voluntary reserve, including Glens Falls Corp., amounted to \$32,476,237, compared with \$34,017,624 as of Dec. 31, 1952. The increase in premium reserve was \$3,744,187 for the nine months.

Ga. Agents Seek to Block Bureau Auto Plan Approval

Georgia Assn. of Insurance Agents has asked Commissioner Cravey to disapprove the National Bureau filing on new automobile rate classifications "until such time as it has been proven in the states where it has been introduced."

Asking not to be a part of the nation-wide "guinea pig," the association voices the belief that from a competitive standpoint the plan is too late as agents "have already lost most of the class 1-A business upon which there will be a reduction, and will stand to lose their class 1-C business upon which there is an increase."

"Extreme" exception has been taken by the association to the National Bureau's statement that 50% of the insured will receive reductions under the new plan. The association said it surveyed the business of its executive and conference committees, representing a cross-section of the state, and found that only 25-30% would benefit by lower rates.

Get Airplane Loss Tips

A two-day conference on adjusting airplane losses was attended by 35 adjusters of Markel Service at Richmond. During the meeting the adjusters were shown movies and took an airplane trip, had talks with pilots and were told about the airline safety precautions.

Edward P. Binder, who has been adjuster for General Adjustment Bureau at Watsonville, Cal., is now in new quarters at 539 McKenzie street.

Mrs. Luke Markey, secretary to D. C. Insurance Superintendent Jordan has won a contest sponsored by Hecht Co., D. C. department store. With her mother, she is taking a two-week trip by air to Europe, including touring several countries there. Miss Marie Cosini, assistant license clerk in the department, has been nominated by the Puerto Rican resident commissioner and has been selected "princess" to represent her native island at a "ball of the states".

James H. McCoy and John M. McCoy, sons of R. Hardin McCoy, local agent at Monmouth, Ill., are enrolled at the Hartford College of Insurance. They attend college at night and during the day are associated with Bent & Bent, insurance brokers of Hartford.

Langer's Hearings on Mail Order Cover Soon to Start

WASHINGTON—Tentatively set for Dec. 1 is the beginning of hearings on mail order insurance problems before the Senate judiciary committee. Senator Langer, North Dakota, chairman of that group, has directed a preliminary survey of mail order insurance by the committee staff. Langer has another hearing scheduled for Nov. 30, which may last over and cause postponement of the mail order hearing.

It is planned for the judiciary group to hear first from government officials, such as from federal trade commission, Postoffice Department and Department of Justice.

It is not planned specifically to invite anybody to the hearing. However, anybody that wants to be heard may appear, including, besides federal agency officials, state insurance commissioners, representatives of insurance organizations.

Staff members declare purpose of the investigation is not hostile to the mail order industry; that a preliminary study and exploratory survey is contemplated.

In communicating with state commissioners, the staff is sending to them a summary of matters they have reported to the staff, in response to inquiry from the staff as to their experience with mail order, practices complained of to commissioners, legislative remedies proposed, if any, federal and state; commissioners' practices in dealing with complaints, and general comments.

In reply to staff inquiries, some commissioners have reported they send a circular letter to complainants, others contact the mail order insurer, and others rely upon press publicity to warn mail order buyers, etc.

Two New Auto Plans in Pacific Northwest

Ranier National and Western Pacific have introduced new automobile plans in Washington.

Ranier National has a new policy for class 1 risks that is in Oregon as well. This features single limit liability coverage at 12 to 20% below bureau rates and paying a 20% commission. It is a restricted form and includes a number of underwriting changes, among them being that policies can be written for six months or an annual term; renewals will be automatic, although sent through the agent; no risks will be written where the applicant has suffered a loss in the preceding two years, and no flat cancellation will be allowed. Signed applications are required.

The Western Pacific plan, which also is in Idaho, offers merit rating of 10% after the first year, and going up to 15% the second year. This applies to BI, PDL, medical payment and collision premiums, but not to fire, theft and comprehensive. Renewals will be handled by certificates.

The commission is 20% on renewal if there is a 10% discount, and 17½% for the renewals getting the 15% discount. If the insured is not to get a discount, the agent receives 25% renewal commission.

Honor Dallas Ex-Presidents

Past presidents of Dallas Assn. of Insurance Agents were honored at a dinner at Dallas Country Club. Association directors were hosts to the guests headed by Arthur E. W. Barrett, immediate past president.

A scrapbook detailing achievements

during Mr. Barrett's administration was presented to him by President Carl H. Hunt. Certificates of appreciation went to Alphonso Ragland, Jr., George F. Cox, Hal A. Gullede, Willard Crotty, C. M. Patrick, J. Frank Holt, Porter Ellis, M. Kenneth Mahoney and Mr. Barrett.

Oldest New Building

Atlantic Mutual Fire of Savannah is now occupying its new home office. It is at Bull street and McDonough facing Chippewa Square. There is a newspaper advertisement featuring the entrance of this building. Atlantic Mutual, of which the president is Fred Wessels, Jr., says: "In this, the oldest new office building in Savannah, we have endeavored to preserve the architecture, the mellowness, the dignity of this old building. Inside the newest, most modern office equipment and techniques will enable us to offer you . . . even greater service and convenience."

DeCoursey Fales, president and trustee of the Bank for Savings in the City of New York and a director of Fidelity-Phenix Fire, has been elected a director of Fidelity & Casualty.

G.A.B. Names Reilly to Casualty Post on Coast

Henry P. Reilly has been appointed assistant manager of the casualty division in the Pacific Coast department of General Adjustment Bureau.

Mr. Reilly graduated from Temple University law school and went with Lumbermen's Mutual Casualty in the claim department. After the war he joined Employers Liability as adjuster at Philadelphia, and five years later went with General Accident. Later he was with G.A.B. in the Rocky Mountain department and helped compile that organization's casualty adjusters' guide. For the last three years he has been with Indemnity of North America as a home office supervisor.

Arson Investigators' School

The North Carolina department is cooperating with the Institute of Government of University of North Carolina in an arson investigators' school Dec. 1-5 at the university. An automobile will be burned to demonstrate the difficulty of accidentally burning a car.

Among the lecturers will be Charles W. Lewis, deputy insurance commissioner; Cecil C. Duncan and Robert L.

Turnage, investigators for the department; Henry N. Martin, special agent of National Board; Julian H. Clark, assistant manager of the southern division, and Glenn Shifflett, special agent of National Automobile Theft Bureau; Director James W. Powell of the state bureau of investigation, and Albert Coates, director of the Institute of Government.

Southwest CPCUs Elect

Southwest chapter of CPCU has elected Porter Ellis as president; O. V. McDonald vice-president; Mrs. Dorothy Albright treasurer, and Mrs. Joyce L. Sharp secretary.

William Hartman and William G. O'Meara, formerly with Neare, Gibbs & Co., have opened the Hartman & O'Meara agency at Cincinnati. The agency represents Aetna, Boston, Home F. & M. Ohio Casualty, and Connecticut Mutual Life.

San Diego Insurance Agents and San Diego Vocational School are working on a course to train women for insurance jobs in that town. This is in the nature of an on the job program for those in training.

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FIA Tallies Livonia Loss; Details Its Final Lessons

(CONTINUED FROM PAGE 15)

the roof which accelerates steel deformation and collapse, venting facilities in the roof are vital. These must be provided through structural means such as monitors, roof houses or saw-tooth construction rather than depend only upon powered ventilating facilities.

In order to reduce the exposure to surrounding areas within a structure, high hazard occupancies which use considerable quantities of flammable or combustible liquids as well as those from which vapors may condense into combustible residues, should be suitably cut off or segregated, adequately protected and the areas individually vented through the roof.

Since "the first five minutes of a fire may be more valuable than the next five hours," it is essential that powerful fire fighting agencies descend upon a fire quickly so that the fire shall never become the master of the situation. This means instantaneous detection, immediate transmission of the alarm to a private and to a public

fire fighting organization, and the coordination of all such service conforming to a prearranged plan of attack. This necessitates the installation of an adequate private fire alarm system with public fire alarm boxes on the premises and the organization of a trained private fire department.

Since cutting and welding operations have become so common in industrial plants, and since such activity has become a serious problem—a proven ignition source of the first order—a completely effective cutting and welding fire safety program should be established.

New Ft. Lauderdale Agency

Richard S. Lillard is opening an agency in the Maxwell Arcade building at Fort Lauderdale, Fla. He resigned recently as special agent for American Indemnity after five years. Prior to that he had been a local agent at Columbia, S. C., for many years.

Stephen E. Blewett of Air Research Associates addressed Casualty Insurance Adjusters Assn. of Southern California on "Scientific Evidence in Negligence Cases."

Convention Dates

Nov. 30-Dec. 4, N.A.I.C., mid-year, Sans Souci hotel, Miami Beach, Fla.
Dec. 16, Eastern Underwriters Assn., annual, Roosevelt hotel, New York City.

1954

March 30-31, National Assn. of Mutual Insurance Agents, mid-year, Flamingo hotel, Miami Beach, Fla.

April 1-2, New Jersey Agents, mid-year, Berkeley-Cartaret hotel, Asbury Park.

April 23-25, Federation of New York Insurance Women's Clubs, Auburn.

May 3-6, H. & A. Underwriters Conference, annual, Hotel Roosevelt, New Orleans, La.

May 14, Oklahoma Agents, annual, Mayo hotel, Tulsa.

May 14-15, Texas Agents, annual, Fort Worth.

June 24-26, National Assn. of Independent Insurance Adjusters, annual, Claridge hotel, Atlantic City.

Sept. 17-18, New Jersey Agents, annual, Hadson hotel, Atlantic City.

statistics to show that installment plans increased the cost of insurance". This is almost exactly the opposite of what Mr. Garland did say. He said he did not think there were any credible statistics available to show whether the extra charge for the installment plan was adequate to cover the extra costs involved in administering it.

Heads Yorkshire Vets

At its fourth annual dinner meeting the Tygvets Assn., the 25 year club of the Yorkshire group companies, elected as president, George Senn; vice-president, Robert L. Deverall; secretary-treasurer, Louis A. Loesch, and Eleanor McCumiskey member executive committee.

Atlanta Office Is Moving

The southeastern division office of General of Seattle is being moved to 1201 Peachtree street. It has been at 800 Peachtree. There are 130 employees and Theo. Lippman is resident vice-president.

D. D. Land has gone with the A. B. Gresham agency at Wichita and the firm name has been changed to Gresham & Land.

Comment on Installments

The NATIONAL UNDERWRITER regrets that in a story on the hearing in Boston on installment payment of term premiums it was incorrect in quoting Hugh Garland, secretary of Corroon & Reynolds, who appeared at the hearing. The story stated that Mr. Garland "did not think anyone can produce credible

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Kean Describes WC Policy Which Is Due Next Year

(CONTINUED FROM PAGE 18)

is the undertaking to provide state-wide workmen's compensation and employers' liability coverage. Instead of the statutory citations used in the present state endorsements to make the policy operative with respect to WC laws there is substituted a declaration that the policy applies to the WC laws of the designated states. Having thus designated the states in which WC coverage is afforded, the employers' liability coverage is automatically afforded with respect to all operations of the insured in the named states and operations necessary or incidental thereto.

Under the employers' liability agreement, broad common law disease coverage is provided. Thus "disease" coverage has been included instead of the "occupational disease" coverage afforded by endorsement to the present policy. The present policy requires the attachment of one or more selected endorsements to extend the coverage for disease on various limited bases. The employers' liability coverage of the new policy in conjunction with the workmen's compensation coverage approaches the ideal of giving an employer virtually complete protection with respect to claims of employees for work injuries.

The entire form is expressed in standard language which may not be amended except in accordance with the specific instructions. There is an option, however, of making such arrangement of the parts of the form as may be desired. Except for the major parts of the form and the coverage statements, the identifying and indexing designations may be omitted or amended.

DECLARATIONS

The makeup of the declaration page permits the companies to follow existing policy writing and policy issuing practices and facilitates the use of established accounting and statistical procedures.

Item 1 of the declarations is for the name, address, and type of organization of the insured and is so drawn as to require a minimum of typed entries for the large number of policies covering single location risks. The item calls for a listing of the usual or fixed location of the risk if other than the address.

Item 2 establishes a policy period related to standard time at the address of the insured, unlike the present policy wherein the policy period is not necessarily the same for all operations nor for all injuries because of time differentials.

In Item 3 is listed the name of each state in which the insured conducts operations to be covered.

In Item 4 provision is made for indicating the manual classifications applicable to the operations of the insured, the premium bases and rates, loss and expense constants, etc., and the method, if any, of interim premium adjustment. This is in accordance with

existing practices.

Item 5 is the "Limit of Liability for Coverage B", and provides for the entry in the declarations of the limit of liability for that coverage. At present, in some states, employers' liability cannot be limited. It is hoped that it may soon become possible to specify a limit for employers' liability coverage in all states. In the meantime endorsements which remove the limit will be necessary in certain states.

Item 6, which is optional, calls for a statement of the operations of the insured not intended to be covered and is for the purpose of including in the declarations underwriting information with respect to operations otherwise insured. This declaration does not exclude coverage and may not be relied upon to effect such an exclusion.

COVERAGE

Coverage A states the company's undertaking to insure the entire obligation of the insured under the WC law of any state specified, including the insured's obligation under the law with respect to employees of uninsured sub-contractors.

Coverage B, employers liability, subject to limits in the declarations, takes in liability imposed by law upon the insured because of BI accident or disease sustained by employees arising out of and in the course of employment. Basically, the employers' liability coverage has been revised to bring it into line with similar provisions of other liability policies.

Insuring agreement II is the "Defense, Settlement, Supplementary Payments" agreement which with editorial changes follows the corresponding standard provisions in other forms of liability policies.

In insuring agreement III the definition of "workmen's compensation law" is so drawn as to bring within coverage A the workmen's compensation and occupational disease law of each state listed in the declarations. This does not include provisions of the New York disability benefits law. Definition (c) defines "bodily injury by accident and bodily injury by disease" and is necessary to make clear that for the purpose of applying the limits of liability, the same injury cannot be a "bodily injury by accident" and a "bodily injury by disease".

Insuring agreement IV provides that in a disease case the insurer covering the employer at the time of the last injurious exposure of the employee in the employment of the employer is the carrier liable.

EXCLUSIONS

The new policy contains exclusions "a" through "f". The old policy contains no exclusions.

Because coverage is provided for all operations within a state designated in the declarations, exclusion (a) applies to operations conducted at or from any work-place not described in the declarations if the insured has, under the WC law, other insurance for such operations or is a qualified self-insurer. This is necessary to exclude coverage for any operations in such state which are otherwise insured or are self-insured.

Exclusion (b) makes the policy inapplicable, unless required by law or described in the declarations, to domestic employment or to farm or agricultural employment.

Exclusion (c) reads: "This policy does not apply under coverage B, to liability assumed by the insured under any contract or agreement".

Exclusion (d) excludes punitive or exemplary damages on account of BI or death of any employee employed in violation of law with the knowledge or acquiescence of the insured, or any executive officer.

Under endorsements now in use, no coverage for common law liability for disease is afforded unless incapacity results within 12 months after the end



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of the policy period. Exclusion (e) extends this to 36. This has the effect of broadening somewhat the common law disease coverage.

Exclusion (f) eliminates from employers' liability all cases coming within the scope of any WC law and cases coming under any unemployment compensation law or disability benefits law.

POLICY CONDITIONS

Throughout the policy and particularly in condition I, the "premium" condition, complete reliance is placed on the words "manuals in use by the

company". This expresses the policy provisions with respect to the application of premium bases, the determination of premiums and the effect of changes in classifications, rates and rating plans, including rate changes required for law amendments affecting benefits. This device makes unnecessary numerous provisions now appearing in several states and endorsements.

Condition 2 incorporates special provisions applicable to policies written for a term in excess of one year and is optional.

Condition 3 is designed to remove from coverage, under a policy written

for a partnership or joint venture, any other operations of a partner or member of the joint venture which are not operations of the partnership or joint venture.

Conditions 4 - 7 include inspection and audit, notice of injury, notice of claim or suit, assistance and cooperation of the insured, and follow, with some editorial changes, corresponding standard provisions used on other forms of liability policies.

Condition 8 sets forth the statutory obligations of the company under each of the WC laws with respect to which coverage is afforded under the policy.

Condition 9 makes clear that damages for "care and loss of services" and recoveries from the insured in "third party indemnity over" actions growing out of bodily injuries to employees are within the coverage of employers' liability. The limit of liability for BI by accident is expressed on an any-one-accident basis. The limit of liability for BI by disease is expressed as a policy year limit by state. For the present the proposed policy must be endorsed to eliminate application of the limit of liability stated in the declarations with respect to injuries growing out of operations subject to the WC laws of certain states where no limit of liability applies.

The other insurance provision in condition 11 makes the policy contributing insurance with other valid and collectible insurance. This gives recognition to the fact that in certain types of cases in some states the limit of liability under coverage B is not recognized and, further, provides for a more equitable distribution of losses among insurers.

Condition 16, which reads, "Terms of this policy which are in conflict with the provisions of the workmen's compensation law are hereby amended to conform to such law", guarantees conformity of the policy with each workmen's compensation law and eliminates the need for endorsements to correct conflicts created by the lack of uniformity in WC laws.

The other conditions all follow, with such editorial changes as necessary, the corresponding standard provisions adopted for use nationally on other forms of liability policies.

regular state endorsements as presently used. The policy forms committee has drafted these endorsements which have been completed and filed as a part of the policy in the various jurisdictions where necessary. The remaining endorsements designed to take care of underwriting rules in the manuals and other special situations are in the process of being drafted. Most of these endorsements will be "standard" under the National Council filing program.

Although it has been necessary to draft a rather large number of endorsements, many of them will be necessary only on a relatively few policies to satisfy requirements of one sort or another.

By and large state endorsements will be eliminated.

It is planned to introduce legislation in certain states, such as Maine and Rhode Island, to provide that the purchase of insurance by an employer is an election to be bound by the compensation law. The present requirement in several states is that in order to come within the law employers must make affirmative elections and employers or insurers must make certain filings with state authorities.

It is also hoped that amendments can be made to certain compensation laws which will make it unnecessary to quote in the policy, word for word, portions of such laws.

New FR Chief in N. C.

RALEIGH, N. C.—Thomas L. Creekmore, former director of the state bureau of investigation, has been named director of the new financial responsibility section of the state department of motor vehicles. The section will have 54 employees, including a staff of five to evaluate damages and assess responsibility in traffic accidents.

Nelson Joins Merrimack

Sam Nelson has been appointed special agent of Merrimack Mutual and Cambridge Mutual Fire for Mississippi, Alabama and Tennessee, with headquarters at Jackson, Miss. He is a veteran of the last war and has had previous field experience in that territory. He is now president of Dixie 1752 Club.

Roy Thompson, president of Southern Fire & Marine of Atlanta, discussed the operations of the future of his company at a meeting of Atlanta Assn. of Insurance Agents.

Southeast Missouri Assn. of Insurance Agents held a quarterly meeting at Portageville Nov. 18 and heard a talk by Robert Gisburne, associate state agent of Home, on "Office Methods and Agency Managements." New officers were elected.

ENDORSEMENTS

One major purpose of the new policy is to eliminate a large number of endorsements now required to adapt the policy to the different coverage needs of individual employers, the administrative regulations of the various supervising authorities and the requirements of the underwriting and rating manuals.

Certain endorsements become necessary to tailor the policy to meet statutory requirements, in the absence of

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Headquarters staff of National Assn. of Independent Insurers at the St. Louis meeting of NAI: back row, from the left, Arthur Mertz, attorney; Carrie Rizzuto; Howard Riddle, statistical supervisor; Miss Margaret Hennigan; Vestal Lemmon, general manager. In the front row are Mrs. Lemmon, Betty Osborn and Spalding Southall, assistant general manager.

Balanced View Given on Auto Legislation Schemes

(CONTINUED FROM PAGE 1)

to risk adverse public reaction of such a device. Also, complications arise in conducting the defense for settling of claims on behalf of the uninsured motorist. Adequate means of providing for his cooperation when he is to be ultimately liable are difficult to find. This does not cover hit-and-run drivers and does not cover cases where the coverage is not purchased. It does, however, cover non-resident drivers.

It would be premature to draw any conclusion concerning this plan now and without thorough investigation and study, he said. Many of those that supported the UJF in New Jersey now realize, he said, that like Esau they traded their birthrights for a mess of pottage.

The UJF law inaugurates startling new and drastic changes in the field of governmental regulations. No other state has gone so far in its control of private enterprise nor has private enterprise gone so far in taking over the burdens and functions of government. The danger not only lies within the operation of the law itself in its application in New Jersey, but also in the criteria which it establishes for future legislation in the field of insurance and in other areas involving relationship of state and free enterprise.

In this so-called alliance of private enterprise and the state, a vital principle to free enterprise was sacrificed. Insurance companies are required to furnish a defense for uninsured motorists without being compensated for this.

The New Jersey law is leading into government ownership and operation of the insurance business. As time goes on and difficult problems continually arise through this odd union of state and private enterprise, it will be a simple matter to eliminate private insurance participation. Already demands have been made by public officials that the government have a larger voice in the management of the fund, and this even before the fund is in operation. Regardless of the underlying political and economic philosophy of the law, there is the question of whether it would actually work. The specter of the probable cost of the operation of the New Jersey law puts fear into the hearts of its most ardent advocates. He said that from 90 to 95% of all motorists must be insured if the law is to function satisfactorily. That is the sword of Damocles. The percentage of insured motorists could fluctuate and there is no guarantee that the desired percentage can be maintained or that it can even be reached in New Jersey.

Other problems are: How zealously will the governing board attempt to get its money back from the financially irresponsible judgment debtor? How well can the fund guard against fraudulent claims, particularly hit and run cases where there is no defendant to testify? To what extent will the fund be raided by default judgments? What incentive is there for the insurer to defend when it has no direct pecuniary interest in the outcome of the suit? What happens when there is a disagreement between the insurer and uninsured motorists in regard to his defense?

These funds are based on a government compensation philosophy, they are unfair, they discourage free enterprise of individual initiative, as a

practical matter they are administratively unsatisfactory and cannot be the solution, he said.

Compulsory insurance, he said, is but the ultimate and logical consequence of the adoption of the financial responsibility laws. It is but a natural conclusion that if the problem is created by uninsured motorists, what is needed is to require those who operate their automobiles to become insured or otherwise financially responsible. Too many objections to compulsory insurance arise out of its history and development in Massachusetts. To some people the real danger and threat has not been in the principle of compulsion itself. To whatever extent the use of the automobile is regulated to that extent the system is compulsory. The security responsibility laws are compulsion of a sort. The important element is how the compulsion is applied and to whom. The UJF, he said, coerces the responsible insured motorist to pay for the irresponsible motorist. This, he said, is compulsion of the worst sort.

Critics have said that a compulsory law would not apply to out-of-state drivers; beyond the boundaries of the state; to accidents occurring off the public highways; to guest occupants nor to property damage accidents. The 1953 bill in New York, he said, was drafted to supply this coverage and, therefore, these arguments are specious.

To those who are attempting to find a practical answer to the solution of what is to them a social problem it is realized that the effectiveness of this law will be such that it will reduce the number of financially irresponsible motorists to a minimum where the problem is no longer a social one requiring governmental intervention. The purpose of the law is not to close completely all gaps which it is practically impossible for any law to do, but to minimize what may be recognized as a social problem. On the theory that compulsory insurance will lead to political rate making and state interference, if not outright ownership of the automobile insurance function, there are those, he said, who believe through a proper drafting of a law and an intelligent state administration with a firm desire to avoid state interference that state funds can be avoided.

He said that the Canadian provinces and those states which have taken the legislative alternative of the UJF have provided for state-financed and state controlled funds with the exception of New Jersey which has a state regulated fund financed primarily by insured motorists and forcing insurers to defend uninsured motorists without compensation. The state in each instance has gone further in interference with and control of the automobile insurance function than could possibly be visualized under a compulsory law. The only state which has tried compulsory insurance and which has been held up as a prime example of its faults has not adopted state insurance.

However, on the other side, it may be said that another administration may introduce undesirable features into the law or its operation. If such a state as New York enacts compulsory insurance no matter what its form, this will have an important influence in other states which may enact laws which do not conform to the principles that are thought absolutely necessary in such legislation.

It must be decided whether compulsory insurance is needed at all—that is, whether there are presently sufficient social problems that would require such intervention on the part of the government; whether the demand for compulsory insurance arises out of a real social need or whether it is a device for increasing the hold of government on private enterprise. It must be fully explored as to whether there is some other solution short of compulsory which would be voluntary, which would not carry with it the many disadvantages and inequities of a UJF law and which would be in the interests of free enterprise and in the interest of the public.

Shift to Second Generation

George C. Huggins and C. H. Huggins, founders of the Huggins agency of Coos Bay and Salem, Ore., have transferred active management of the agency to the second generation of Huggins employees. The two founders will retain a substantial ownership in both offices and will continue in an advisory capacity.

Brokers Go for Voluntary Judgment Recovery Bond (VJRB) and Impoundment

The proposed voluntary insurance plan of the insurance industry committee on motor vehicle accidents received strong support from National Assn. of Insurance Brokers. Its governing committee voted unanimously to support this plan as an alternative to compulsory insurance.

The committee also reaffirmed the position taken by the association in October, 1951, in favor of the adoption of legislation to provide for the impoundment of motor vehicles involved in accidents where the owner cannot show financial responsibility.

Society Alumni Elect

Alumni Assn. of the School of Insurance Society of New York reelected Frank E. Tullis of America Fore president, elected George Brennan of Home vice-president, Marie L. Duhig of F. K. Gaston, Inc., secretary—the first woman to hold office in the association—and Charles Lieb of National Union treasurer.

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EDITORIAL COMMENT

State Action Is Overshadowed

In the light of developments we think it was a mistake that the New York insurance department conducted in secret its recent hearings on the prevalence of kickbacks and such in connection with group insurance transactions. It was a nice question at the time whether the meetings should be open in whole or in part, and we certainly don't intend to pass a harsh judgment here. State supervision would have gotten a fuller measure of credit for having first faced up to the problem if the hearings had been opened to the newspapers and the chips had been

allowed to fall where they may. It would have been drilled into more heads that way that the insurance supervisory officials were aware of practices that needed ventilating and had initiated an investigation. It is true that even with the secret hearings there were news stories, but these fade in public memory in contrast to the headlines being caused by the Congressional committee at Detroit this week and we fear that many will wrongly credit the federal government with having originated the inquiry.

Role of Agent in Safety Work

A comment in the report of Stuart E. Graham at the Pennsylvania Association of Insurance Agents convention, about coordinating safety work in communities, calls attention to a need that undoubtedly will increase as time goes on and safety activities multiply even beyond what they are today.

Agents themselves may be able to play an important role in this effort to supply coordination. Much of the safety literature comes to the attention of the local agent, often by way of company publications. The local agent could very well become the clearing house for information about safety campaigns over the country, as a particular con-

tribution by him to safety work in his own community.

One thing that suggests this is the recent reprint of the very fine series on "Agent's Stake In Traffic Safety" published by Hartford Accident in the *Hartford Agent*. This is now available in reprints. Many other companies have done original and fine work in the traffic safety field, along with some of the company organizations, notably Assn. of Casualty & Surety Companies. All of this information which the agent has or can readily get from his own sources puts him in fine position to perform this kind of coordinating, clearing house role in his home community.

PERSONAL SIDE OF THE BUSINESS

Maurice Convey, Mineola, N. Y., Long Island special agent, Royal-Liverpool, is in Mary Immaculate Hospital at Jamaica with a concussion following a freak accident. His telephone rang late at night and Mr. Convey stumbled and fell downstairs in attempting to answer it. To make matters worse, the call was a wrong number.

Bernard W. Roos, vice-president of Associated Agencies of Chicago, has just returned from his annual trip to Lloyds. While abroad he also visited Paris, Luxembourg, Brussels, Frankfurt, Geneva and Zurich. Most of the traveling was done by air.

H. W. Mullins, the new executive vice-president of Illinois Assn. of Insurance Agents, who in the ordinary course would ascend to the presidency two years hence, is an Armour Institute fire protection engineering course graduate of the class of 1930. His home was at Aurora, Ill., and he went to Armour on a WAB scholarship. After

graduation he was with Michigan Inspection Bureau until 1936 and from then until 1949 he was with National Fire. He started as an engineer and then became state agent in Indiana. He later was named agency superintendent in the western department office at Chicago. In 1949 he went with the Williams, Manny, Stevenson agency at Rockford. He became a CPCU in 1946.

Old time insurance people noted with interest the publicity about **Miss Darby Day Smith** having been accepted by the Roger Wagner choral group of Los Angeles to appear on their concert tours. She is a dramatic soprano that attended Illinois Wesleyan music school. Her name is that of the old famous old time life insurance general agent of Chicago who was first for many years with Mutual Life and then was with Union Central Life. In his latter days he also had gathered together an assortment of casualty companies, along with Fire Insurance

Company of Chicago. These all collapsed. It turns out that Miss Smith is the daughter of George P. Smith of Bloomington, Ill., who is a local insurance agent there. Mr. Smith was connected with Darby Day in the Mutual Life general agency at Chicago 1914 to 1917, and was a Darby Day man from start to finish. He told Darby Day that he would name his first boy for him. However, his first two children were girls and finally before the arrival of the third, Mr. Smith said that regardless of whether this was a boy or a girl it was going to be named Darby Day. Hence, it is Miss Darby Day Smith. Mr. Smith has been in the local agency business since 1925 at Bloomington.

D. F. Cox Jr., president of Appleton & Cox, has been appointed honorary chairman for the New York insurance district of the **orphans' shopping tour**. The junior chamber of commerce Dec. 11 will enable 1,000 orphans and underprivileged children to buy Christmas presents, will provide each with a substantial gift, a light lunch, and a full day of enjoyment. James J. Ward Jr., independent adjuster, is chairman of the tour and other insurance men on the committee are Robert Sears and Charles Mehorter of McDaniel & Co., Thomas Horn of Appleton & Cox and Thomas W. Sweeney, Jr. of H. Mosen-thal & Son.

Charles Fortune Gold, the new insurance commissioner of North Carolina is a lawyer, 41 years old, and comes from Rutherfordton, N. C. Gov. Umstead named him to succeed **Waldo C. Cheek** as commissioner and he took office on Nov. 16.



C. F. Gold

Louis W. Niggeman, vice-president of Fireman's Fund, was named as one of San Francisco's 100 "News Makers of Tomorrow". This was a combined endeavor of San Francisco Chamber of Commerce and Time Magazine to select the 100 young men that will probably comprise the city's future leadership. Mr. Niggeman started in the insurance business in 1935, joined Fireman's Fund in 1946, became manager of the Atlantic marine department at New York and since last June has been in charge of the Pacific, southern California and Pacific northwest departments at the head office.

In recognition of his completion of 50 years with Joyce Insurance, Inc., of St. Paul, **L. A. Green** was honored at an office party and given an expense-paid trip to New York.

Norman A. Chrisman of Pikeville, Ky., was taken ill while in Louisville for the Kentucky agents' meeting and was removed to Kentucky Baptist Hospital, suffering from high blood

pressure. Reports this week were that he is getting along well, but decided to stay in the hospital a few days for a general checkup and rest.

He is a former president of the Kentucky association and was for some years state national director. He was to have received a cup at the convention banquet in recognition of his services to the insurance business in Kentucky. It was accepted for him by his son, **Charles B. Chrisman**.

John Wakfield, Tulsa local agent, will address a dinner meeting of the Tulsa chapter of American Assn. of Oilwell Drilling Contractors Dec. 7 on "Faults & Fatalities." He will deal with safety programs and drilling costs, coinsurance clause provisions and contractual liabilities and underground damages.

The U. S. Department of Labor announced selection of **John V. Grimaldi**, assistant manager accident prevention department of Assn. of Casualty & Surety Companies, as chairman of the committee on governmental safety services to industry, in connection with organization and planning of the President's Conference on Occupational Safety.

DEATHS

CLAUDE C. AUSTIN, 76, former secretary-treasurer of Wolverine, now of Battle Creek but formerly of Lansing, died at a Lansing hospital. He had continued as a director of the company and had the longest term of service with the insurer, having joined the organization in 1922, being named secretary in 1923 and treasurer in 1927.

PAUL F. JONES, president of National Casualty and former Illinois

insurance director died Monday at his home at Danville, Ill., at the age of 55. He had a siege of the flu and had been resting about three weeks upon medical advice, since he had suffered a heart attack about four or five years ago and had to be on guard. He became president of National Casualty when control of that company was purchased by the Farm Bureau companies of Ohio and he had been accustomed to being at Detroit part of each week and at Danville over the week ends.

At Danville he was a member of the law firm of Jones, Sebat & Swanson and he was at one time district attorney there. One of his sons was just recently appointed assistant U. S. district attorney at Danville. He was Illinois



Paul F. Jones

The NATIONAL UNDERWRITER

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insurance director from 1941 to 1944 and then for a time was connected with the Chicago law firm of Ekern & Meyers, as well as handling his local practice at Danville. He was local counsel in the famous Great Atlantic & Pacific anti-trust case that centered at Danville. He attended Northwestern University and Michigan law school.

ROBERT M. WALMSLEY, who, according to newspaper obituary notices, was insurance commissioner of Louisiana from 1927 to 1931, died at New Orleans at the age of 63. He was a brother of T. Semmes Walmsley, who was mayor of New Orleans from 1930 to 1936. He was in the insurance business at New Orleans from 1915 to 1933.

ROYAL A. BUCKMAN, who was for years one of the best known field men in Illinois, and who retired in 1944 after 47 years with Royal, died at his home at Lake Wales, Fla. He was born at Chicago in 1877 and went with Royal in 1897. His father, R. M. Buckman, was Illinois state agent for Continental, and his grandfather, S. C. Buckman, had been adjuster for Home. Royal Buckman traveled the mountain field for Royal from 1906 to 1909, and then for two years was head of the loss department in the old western department of Royal at Chicago. He was Illinois state agent from 1912 to 1918 and then for seven years was superintendent of the automobile department. He subsequently became executive state agent in Illinois and then for 10 years before his retirement he acted as an adjuster. He was most loyal gander of the Illinois Blue Goose in 1918 and he served for two years as treasurer of Fire Underwriters Assn. of the Northwest.



R. A. Buckman

GEORGE W. HART, a veteran Boston fire insurance executive, died at the age of 75. He started at the home office of Niagara in 1894 and went to Boston in 1909 with that company. In 1939 he became manager of Rice & Whitney, Boston metropolitan agents of Niagara.

MARTIN H. IMM, president of St. Paul Hospital & Casualty, and his nephew, Robert Imm, were killed when the four place Navion plane that Martin Imm was piloting crashed about 15 miles west of Milwaukee. Mr. Imm had qualified for his pilot's license only two weeks prior to that. He flew from St. Paul Sunday morning to Man-

kato, Minn., to get his nephew who was the son of Senator Val Imm, and is publisher of Mankato News. Then they started off on what was to have been a business trip for Mr. Imm to Milwaukee.

Martin Imm was 51 years of age and his nephew was 20. Mrs. Imm was at Providence at the time with her 15 year old daughter, Karen, where they were visiting with Martin Imm, Jr., who is a student at Brown.

Mr. Imm was also president of Des Moines Casualty and Wisconsin Casualty Assn. of Milwaukee, both of which are A&H companies.

WILLIAM DU HAMEL DENNY, who was an old time general agent of Hartford Fire in Delaware and who was governor of that state from 1921 to 1925, died in Veterans Administration hospital at Elsmere, Del. at the age of 80. He started in the insurance business in 1890 with Kent County Mutual.

THOMAS J. MACKLIN, 58, president of the Macklin agency, Columbus, O., died at his home at Worthington. His father, the late Frank J. Macklin, established the agency 65 years ago.

GEORGE A. GESCHIEDER, who had been engaged in the local agency business at Steubenville, O., since he was 18, died at the age of 72. For many years the agency operated as G. A. Gescheider Co. More recently it has been Gescheider-Stuart & Co. For the past five years Mr. Gescheider devoted most of his time to the management of Fort Steuben hotel. He was president of the hotel corporation.

HAROLD A. MILLER, who for many years was a prominent figure on the Chicago insurance scene, died during the night Tuesday at the Hackley School at Tarrytown, N. Y. He had been living there for the past two years with his son, Frank Miller, who is head master of the school.

Mr. Miller was best known as associate manager of the old western department of North America at Chicago. He left that office in 1936 and then in 1937 took a position with the Illinois insurance department under Ernest Palmer. He remained there until 1942 and from then until about 1949 he was connected with Western Underwriters Assn. His age was 69. He was with American Bridge Co. in 1903-04 and then he started with Chicago Board as an inspector, the connection originating with H. H. Glidden, who was manager of the board and a neighbor of the Miller family. His next move, in 1906, was to Continental where he was employed by C. R. Tuttle, who was then the wes-

tern manager but Mr. Miller went to the head office as engineer. He served at New York, Boston and in New Jersey and later became special agent in south Jersey, and then was located at Williamsport, Pa. In 1909 he went into the field with Boston at Pittsburgh and later transferred to Philadelphia with jurisdiction over a large section of middle department territory. His connection with North America commenced in 1918. Mr. Tuttle was then the western manager of North America and he employed Mr. Miller to become head of the automobile department. Mr. Miller advanced there through various executive ranks until he became associate manager. He had served as president of the old Western Auto Conference.

His brother, Walter E. Miller, who was with Fred S. James on the company management side, died about 30 years ago. Mrs. Walter Miller resides at Evanston, Ill.

ALBERT W. BRADLEY, 57, president of the Clarke, Kendall & Bradley local agency at West Warwick, R. I., died.

JAMES R. DOUGHER, 82, local agent at Los Angeles since 1919, died there. He was the father of Harold W. Dougher, general agent of State Mutual Life, who also represents several fire and casualty companies.

MRS. GLADYS E. SEARL, 56, wife of William C. Searl, secretary of Auto-Owners, died at University hospital, Ann Arbor, Mich.

WARREN HACHOW, veteran Dearborn, Mich., agent, died after a protracted period of failing health.

HERBERT N. JEWELL, 63, former Jackson, Mich., local agent, who moved to Florida about three years ago, died at St. Petersburg of a heart attack.

CHARLES W. FINK, 63, local agent at Darlington, Wis., died there following a short illness.

WALTER SPIEGEL, 42, a local agent at La Crosse, Wis., since 1930, died at his home of a heart ailment.

A. E. MAXWELL, 84, for 25 years a local agent at Pittsburg, Kan., until his retirement a year ago, when he sold to Maynard Angwin of the Cherry agency, died there.

EUGENE HITCHCOCK, 61, Syracuse, N. Y., local agent, died of a heart attack.

GEORGE W. DAVIS, 72, local agent at Burlington, Wis., and a past president of the Burlington and Racine County Insurance Boards, died after an illness of one month.

Mayers Assistant Secretary

Joseph W. Mayers, in claim supervision work for Employers Reinsurance in the eastern area, has been elected as assistant secretary of that company. He has been an Employers Re man since 1950 and was in the casualty claim field 15 years prior to that.

W. H. Patterson, pioneer adjuster, has been presented a life membership in Seattle Blue Goose. Mr. Patterson, who is 88, is still active as an independent adjuster. He has over half a century of adjusting work behind him.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co. 135 So. LaSalle St., Chicago, Nov. 24, 1953.			
	Div.	Bid	Asked
Aetna Casualty	3.20*	150	155
Aetna Fire	2.40	55 1/2	56 1/2
Aetna Life	2.50*	85	87
Agricultural Insurance	1.60	31 1/2	33
American Alliance	1.60	37 1/2	39
American Equitable	1.50	30 1/2	31 1/2
American Auto	2.00	45	50
American (N. J.)	1.10	26 1/2	27 1/2
American Motorists40	14	16
American Surety	3.00	50	61
Boston	1.40	35	37
Camden Fire	1.10*	22 1/2	23 1/2
Continental Casualty	2.50*	96	98
Crum & Forster Com.	1.60	46	47 1/2
Federal60	31	32
Fire Association	3.00	72	74
Fireman's Fund	1.60	63	64 1/2
Firemen's (N. J.)	1.60	40	41 1/2
General Reinsurance	2.00	50	61
Globe & Republic80	16	17
Great Am. (new)	1.50	33 1/2	34 1/2
Hartford Fire	3.00	173	175
Hanover Fire	1.80	40 1/2	42
Home (N. Y.)	2.00	40	41
Ins. Co. of No. America	2.00+	93	95
Maryland Casualty	1.20	27 1/2	28 1/2
Mass. Bonding	1.50*	24 1/2	25 1/2
National Casualty	3.00	78	79 1/2
National Fire	2.00	44 1/2	46
National Union	1.50	46	47 1/2
New Amsterdam Cas.	2.00	46	47 1/2
New Hampshire	1.20	28 1/2	29 1/2
North River	1.55*	63	65
Ohio Casualty	3.40	103 1/2	105 1/2
Phoenix, Conn.	1.50*	29	30
Prov. Wash.	1.00	35	36
St. Paul F. & M.	1.70*	36 1/2	38
Security, Conn.	2.00	51	52 1/2
Springfield F. & M.	1.60	46	49 1/2
Standard Accident	17.00*	820	830
Travelers	2.00	68	70
U. S. F. & G.	1.50*	39	40 1/2
U. S. Fire			

*Includes extras. +Plus 20% in stock 1953.

Indiana Mutuals Elect

C. G. Schuyler President

Cecil G. Schuyler, Jennings County Farmers Mutual, North Vernon, was elected president of Mutual Insurance Companies Union of Indiana at its annual meeting at Indianapolis. He succeeds Lloyd Rouch, Rochester Farm Mutual.

Lester Bickel, Farmers Mutual of Jay County, Portland, was elected vice-president. Charles T. Coats, Indiana Union Mutual, secretary, and Earl L. Cooper, Indiana Farmers Mutual, assistant secretary, were re-elected.

Speakers included Commissioner Wells, Nelson M. Knowlton, Salem, Mass., president of the National Assn. of Mutual Insurance Companies; E. H. Kellogg, safety director for the Indiana Rural Electric Cooperative, who discussed lightning losses, and Harry P. Cooper, Indianapolis, executive secretary of National association.

The Indiana group adopted the National association's standard fire and windstorm forms for farm mutuals.

Norman H. Davis, Jr., an executive engineer of Underwriters Laboratories, spoke on "Is It Safe?" at a luncheon meeting of St. Louis Insured Members Conference.

■ WIDE
SURPLUS LINE FACILITIES
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SURROUNDING
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MIDWEST UNDERWRITERS

J. R. MULDER

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FIELD

Fire Association Makes Changes in Pa., W. Va.

Herman M. Lewis, West Virginia state agent for Fire Association, has been transferred to western Pennsylvania as state agent where he will be associated with Special Agents Thomas J. Dormer and Donald A. Barnum. Headquarters will be in Pittsburgh. He is succeeded in West Virginia by John M. Rider, who has been promoted to state agent and will continue the headquarters in Parkersburg.

Mr. Lewis went with Fire Association about 12 years ago as an automobile adjuster. After army service, he joined the company's first training class in 1946, after graduation being assigned state agent in his home state of West Virginia.

Mr. Rider has had experience as an underwriter and field man with Fire Association and Reliance in northern New Jersey. He is also a graduate of the company's training school.

Plan Washington Field Tour

Washington Fire Underwriters Assn. has set up its schedule for educational tours of local associations and has appointed team captains. Each team paid visits to three groups Nov. 17, 18 and 19. Assignments are: Bellingham, Mount Vernon and Everett, Pat Reilly, New York Underwriters; Vancouver,

Longview and Centralia, Don Tice, Armstrong general, agency; Wenatchee, Yakima and Ellensburg, C. B. Nelson, National Union; Aberdeen, Olympia and Tacoma, William Brown, Union of Canton; Port Angeles, Bremerton and Kirkland, James Goodfellow, Hartford.

Topics will include the "Trail of the Daily," the new gross earnings U. & O. form and the broad form dwelling policy.

Illinois Blue Goose Has Fall Meet, Initiation

Some 100 ganders turned out for the fall meeting and initiation of Illinois Blue Goose, held at Chicago. Lester C. Petterson, Sun, MLG, conducted the initiation. Two PMLG's, Lloyd J. Epler, Loyalty group, and D. J. Harrigan, retired St. Paul F. & M. state agent, delivered the charge and admonition to the 21 goslings who took their first swim.

The dinner, at which Jack Ryan, Chicago Daily News sports and TV columnist, spoke, was highlighted by the awarding of a life membership certificate to A. J. Meyer, Automobile, for many years the pond's keeper.

Anthracite Club Meets

Anthracite Field Club held its November meeting and dinner at Wilkes-Barre, Pa., recently. Edward McLaughlin of National Board spoke on recent arson cases. The club's Christmas party will be held Dec. 15.

Wickard North British State Agent at Detroit

Albert O. Wickard has been named state agent for Wayne county, Mich., by the North British group, with headquarters in the Michigan-Ohio department offices at Detroit.

He recently transferred to Detroit from the Pacific department at San Francisco, where he had been a member of the staff since 1942. His experience includes engineering, inspection and field work.

Harris Ind. Special Agent

Glens Falls has appointed Thomas A. Harris as special agent for Indiana, with headquarters at Indianapolis. He will assist Manager Maurice H. Cravens.

Mr. Harris, a graduate of Northwestern University and a navy veteran, has just completed a refresher course in fire insurance at the home office. He formerly was an underwriter at the Indianapolis office.

Roby in Arizona Field

David F. Roby has been appointed special agent for Arizona by North British. He served in the navy and his insurance experience includes both rating bureau and local agency work. He will have his office at Phoenix.

Golden Belt Christmas Party

The Christmas party of the Golden Belt puddle of Kansas Blue Goose has

been changed to Dec. 12 at Great Bend, to be preceded by a brief business meeting.

The puddle held its November meeting at Hays, followed by a social hour and dinner. Chas. T. Nichols, Springfield state agent, Great Bend, is big toad.

Rutherford to Chicago in Hail Post for Fireman's Fund

L. A. Rutherford has been transferred by Fireman's Fund from Minneapolis to Chicago in the hail department. Mr. Rutherford has been with Fireman's Fund since 1946 and recently has had supervision over hail operations in Minnesota and North and South Dakota.

Catastrophe Tips at Albany

Kenneth Erskine, assistant regional manager of Royal-Liverpool group, addressed the November meeting of Albany Field Club. He talked on the tornado at Worcester, Mass., and the catastrophe loss plan set up to handle it. Some suggestions on how the Albany club could organize a catastrophe plan were given and Mr. Erskine mentioned some of the pitfalls to be avoided.

Madsen Colo. State Agent

Carl C. Madsen, formerly with Mountain States Inspection Bureau at Denver and Albuquerque, and with Springfield F. & M. in West Virginia, has become state agent of that company at Denver, covering Colorado.

Buechner to Scottish Union

Scottish Union has appointed Charles R. Buechner, Jr., state agent at Denver, succeeding the late William D. Phoenix. Mr. Buechner was formerly with Springfield F. & M., and before that, with the Merchants Fire of Denver.

Ind. Pond Honors Fitzgerald

Indiana Blue Goose at a meeting at Indianapolis Nov. 23 honored Don D. Fitzgerald, Commercial Union, most loyal gander. Cocktails were served at 5:30 p.m., dinner at 6:30.

Other Blue Goose social events scheduled include a dinner-dance Dec. 12 and a dinner-dance and golf party next May 14.

Caledonian Field Men Meet

Field men of the Caledonian-Netherlands group have returned to their fields after spending a week in conference at the head office at Hartford, Connecticut. While at the head office they were addressed by George L. Armstrong, chairman of the U. S. board, and Raymond T. Sweeney, U. S. manager.

Shift Emerson to Atlanta

Richard W. Emerson, special agent of the Springfield group, has been transferred to Atlanta to assist agents in the production of inland marine and automobile business. He has served as a specialist in inland marine and automobile in western New York since 1951. Before that he was an underwriter at the home office. He is a navy veteran and attended Northeastern University.

Missouri Fire Prevention Assn. inspected Charleston Nov. 18 and will visit Houston Dec. 2.

WANT ADS

Rates—\$16 per inch insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payments in advance.

THE NATIONAL UNDERWRITER

UNUSUAL FIELD OPPORTUNITY IN NEW ENGLAND

A prominent New England mutual fire insurance company has an attractive opportunity in the New England territory for a field man with a record of accomplishment.

We are most interested in a man between thirty and thirty-five years of age with five or more years of field experience in fire or casualty insurance. Better than average salary and benefits will be paid to the right man.

If you are interested in being considered for this position write a personal letter stating experience, education and personal information. Address V-55, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Wanted ADVERTISING MANAGER

For a substantial multiple line property insurance company in Hartford. Must be experienced in handling production and distribution of advertising materials for agents. Write full details concerning age, marital status, education, business experience and present earnings. Address V-37, The National Underwriter Company, 175 West Jackson Blvd., Chicago 4, Illinois.

MICHIGAN Field Representative

fast growing multiple line stock agency operating nationally has outstanding opportunity in Michigan field. It will pay you to investigate. Address U-84, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE PREVENTION ENGINEER needed for Illinois territory by large middle west company. Should have appraisal and rating bureau experience. Prefer man under 35 years. State experience, age, etc. Address V-50, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER WANTED

To head department. Have knowledge automobile, fleets, long-haul multiple and surplus lines. Age 28-42. Excellent salary potential for hard worker.

THE HENRY MATTHES ORGANIZATION

1290 Euclid Cleveland, Ohio
Phone collect—CHerry 1-0750

WANTED

by multiple-line casualty insurance company, with home office in Hartford, young attorney to act in legal capacity. Requirements call for good legal education and in addition a minimum of five years actual multi-line claims experience. Furnish full details, education and experience. Address V-54, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXPERIENCED I.B.M. SUPERVISOR

Established Southwestern Fire & Casualty Company needs competent statistical supervisor. Must know equipment, insurance work layout and be able to supervise approximately forty persons in statistical division. Excellent opportunity. Write experience and starting salary required to: Personnel Director, Houston Fire & Casualty Insurance Co., P. O. Box 1869, Fort Worth, Texas.

GENERAL AGENCY WANTED

Casualty and Fire Insurance Company General Agency wanted by Old established Agency in Denver, Colorado. Write box T-57, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FLORIDA

Field Representative Old Midwestern Multiple Line Stock Company has excellent opportunity in Florida for State Agent with fire experience. Salary commensurate with experience and ability. Address your reply to V-49, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED AGENCY OR BROKERAGE ACCOUNTS

Interested in purchasing agency or brokerage accounts in Chicago area. Address your reply to V-28, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ILLINOIS FIRE SPECIAL AGENT

Large midwestern multiple line company offers good opportunity for young man who has traveled Illinois. Replies should include experience, age and other pertinent information. Address V-45, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT LOSS SUPERINTENDENT ASSISTANT EXAMINER

for Western department of an aggressive stock fire company group. Chicago location. Liberal company benefits offered. Salary commensurate with experience and ability. Address V-23, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Multiple Line Special Agent experienced in Cook County wanted by large independent company. Give full details. Our employees know of this ad. Address V-51, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

By major agency in large northern Illinois City, young man (age about 30 preferred) with company experience, to engage in inside work with some outside activity. Address V-47, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

by large multiple-line casualty insurance company, operating nationwide property damage supervisor for Detroit office. Good salary and splendid opportunity. In writing give complete summary of educational and experience background. Address V-53, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Ogren American's K. C. State Agent; Others Shifted

Effective Dec. 1, W. H. Ogren will succeed Kenneth L. Hingst as state agent of American, supervising the Kansas City office area. Mr. Hingst is being promoted to supervisor of the city department office at Rockford.

Mr. Ogren, a veteran of the last war, joined American in 1929. He has had headquarters at Kansas City and supervised eastern Kansas since 1948. Before that he had been a field man in western Missouri and in northern Illinois.

American has also transferred Robert J. Pulling, special agent, to Madison, Wis., replacing State Agent R. N. Colvin, who was recently placed on disability. Special Agent Gene Swenson has been transferred to Decatur, Ill., to succeed Mr. Pulling.

Mr. Pulling graduated from Illinois Institute of Technology in 1943 and after air force service started in the business in the Rockford office of American in 1947. Following a training period in the underwriting departments, he was appointed a special agent in 1951 and assigned to Decatur.

Mr. Swenson has been for several years in the western department at Rockford, and most recently has been special agent in the territory supervised by the Rockford city department office. He is a graduate of the advanced multiple line training class at the home office.

Russell with National Fire

National Fire has appointed W. M. Russell, Jr., special agent to assist General Agent C. O. Foster at the Philadelphia service office. A graduate of Penn State College, Mr. Russell was formerly an inspector for Middle Department Assn. and more recently has been in the eastern Pennsylvania field for Crum & Forster.

Connor to Indiana Field

Thomas J. Connor has joined Fireman's Fund as special agent in Indianapolis and he will travel the central and southern part of the state. Mr. Connor has been with Fireman's Fund in the marine department in Chicago and before that traveled the Indiana field for Commercial Union.

Hill Joins American in S. C.

American has appointed J. C. Hill, Jr., special agent for South Carolina, succeeding Leroy M. Brandt, resigned. Mr. Hill is a graduate of Erskine College. After air force service he became a special agent with South Carolina Inspection & Rating Bureau and later traveled for a number of years in South Carolina for Automobile. His headquarters will be at Columbia.

Roberts to Northern in Ala.

Northern Assurance has appointed Ralph Roberts special agent for Alabama. He attended University of Georgia and after a brief period in service joined Fireman's Fund, later was with Pacific National and for the past year has been special agent for Progressive. His headquarters will be at Atlanta.

Botsfield Returns to Ill.

C. Wayne Botsfield, southeast Kansas state agent of Springfield F. & M. for the past year, has been transferred back to his home state of Illinois with headquarters at Peoria.

Illinois Fire Underwriters Assn. will hold its midyear meeting at the Jefferson hotel, Peoria, Jan. 13.

San Francisco Blue Goose heard a talk on "The University and Intercollegiate Athletics" at a luncheon meet-

ing at which John Henry Martin, Standard Forms Bureau, MLGG, presided.

Name Holmes, Mathis

Earl S. Mathis has succeeded Henry J. Holmes as state agent for St. Paul F. & M. at St. Louis. Mr. Holmes' new position with the companies, effective Dec. 1, will be at the home office.

Capt. John Engler of the San Francisco police, addressed the Nov. 16 meeting of San Francisco Blue Goose.

The Sunflower Blue Goose puddle at Wichita will hold its annual party for the ladies Dec. 5. William Bock, Royal-Liverpool, is in charge.

Quick Divests Last of Muskegon County Business

(CONTINUED FROM PAGE 6)
is guilty of "unfair trade practices". The people who are responsible for the writing of these laws will some day admit that these so-called codes are nothing more than a tariff to protect the inefficient and to penalize the efficient.

If you want to use this letter as a "Letter to the Editor", you have my permission because any future news stories in THE NATIONAL UNDERWRITER concerning the Muskegon mess will be better understood if everyone knows that I fight the battles of every new agent and especially the battles of those agents who have the good fortune to represent a company which does not pay "lip-service" to underwriting in its fire department, and gets realistic only on its casualty lines.

If I ever feel that your editorial policy is being sold down the river to the illogical philosophy of the board companies, I will certainly let you know.

Paul Terry Is Complimented at Mo. Half Century Mark

Paul W. Terry was feted at a luncheon at Kansas City, marking the anniversary of half a century with Missouri Inspection Bureau of which he is general manager. P. H. Hawes, president of Insurance Agents Assn. of Kansas City, presided. Mr. Terry gave a talk and reminiscences, going back as far as the old Fetter Rating Bureau. Others speaking in appreciation of Mr.



Terry were Fred V. Griffith, Cliff Jones, George Oppenheimer, George W. Kerdolff and Joseph J. McGee. Special guests included W. C. Anderson of St. Louis, manager, and J. O. Gill of Kansas City, superintendent of Missouri Inspection Bureau, and W. M. Brown of St. Louis, superintendent, and W. H. Leeper of Kansas City, branch superintendent of Missouri Audit Bureau.

In the picture Mr. Hawes is at the left, Mr. Terry is in the center and at the right is John M. Nuckols, manager of Kansas City local board.

U. S. Welfare Fund Probe Enters Insurance Realm

(CONTINUED FROM PAGE 1)
ers of United Public Service Corp., a concern designed to promote business for Union Casualty.

The commissions on premiums paid by the electrical workers were split, with Union Insurance agency getting 5% and United Public Service Co. 12½%. Union Casualty then paid 2½% to the union to cover expenses and administration. Dr. Perlman estimated Union Casualty paid the Union agency about \$250,000 in commissions over the four-year period.

In testimony that afternoon Allen Dorfman of Union Insurance agency refused to testify on the grounds of possible self-incrimination.

He declined to answer questions on whether he had made payments from a mysterious \$101,000 fund to Hoffa and M. Frank Darling, head of local 1031 of the AFL electrical workers in Chicago. William McKenna, counsel for the subcommittee, claimed the \$101,000 in question came from Union Casualty and also United Public Service Corp. He also claimed that checks were given to Dorfman personally and not entered on the books of the agency, even though the checks were endorsed, until after an insurance investigation last year in New York.

Dorfman, whose father, Paul Dorfman, is head of local 20467 of the AFL waste material handlers union at Chicago, declined to answer most of the questions put to him. He said that he had income tax difficulties. He also refused to identify what allegedly was his signature on numerous checks ranging into thousands of dollars.

A subcommittee counsel said that Paul Dorfman was in Detroit and willing to testify if called, but that Mrs. Rose Dorfman, sought on a subpoena, was ill and would not appear.

The subcommittee released a letter written July 25, 1952 to the New York insurance department by Dr. Perlman, telling about large amounts of money spent while the union contract was being negotiated. Dr. Perlman stated in the letter he was trying to comply with a New York insurance department request for a statement of disbursements in 1950 and 1951 for which no vouchers were submitted. The letter stated Dr. Perlman was drawing on his memory for names of guests, estimates of sums spent, and other details.

In connection with negotiations for dependents' coverage for the Central States drivers, \$1,800 was spent over three days in various Chicago night clubs and restaurants, the letter stated. Among the guests were Hoffa, Darling, Mr. and Mrs. Paul Dorfman and Mr. and Mrs. Allen Dorfman.

Another \$1,500 later was spent over a similar period in Chicago night clubs in connection with further negotiations with the Central States drivers and with retail clerks, hotel and restaurant employees. Again the four Dorfmans and Hoffa were listed as guests. During the national CIO convention in New York City Nov. 5 through Nov. 10, 1951, the letter states, Dr. Perlman spent another \$1,800 in three days entertaining for "lunches, dinners, at various bars, hotels and night clubs".

In 1951, the letter says, the Chicago parties put on by Dr. Perlman cost \$6,200, while \$5,700 was spent in New York City, \$1,050 in Detroit, \$1,500 in Philadelphia and \$500 in Dallas. For 1950, party expenses of \$5,350 were listed.

According to the letter, 71 individ-

uals and two organizations received Christmas gifts from Union Casualty in 1950, and 60 individuals and one organization received gifts the following year. Included were wrist watches, luggage sets, writing sets, liquor, shirts, ties and men's jewelry.

Hoffa, who also is president of the Michigan conference of teamsters, said his union has invested a quarter of a million dollars in Union Casualty stock.

Hoffa admitted being a close friend of Dr. Perlman and the Dorfmans. He contended, however, that the insurance was placed after choosing the best from 47 bids, and that he has figures to prove the money used for administering the plan is moderate.

Rep. Smith (R) of Kansas, subcommittee chairman, cited the Detroit situation as just another example of conditions that exist in many other cities. Noting that the subcommittee has turned up enough material for two or three weeks of hearings across the country, Smith said "we have information that there may be financial manipulations in these funds all over the country that are bad for the employees who pay for them."

Tuesday morning the hearing took a strange twist as the committee apparently was desirous of putting Mr. Hoffa on the spot. There was testimony from two union truck drivers to the effect that Mr. Hoffa was instrumental in keeping them from working after they had been on a wildcat strike, and then there was some lengthy discussion of a truck leasing corporation that is owned by the wife of Mr. Hoffa and by the wife of Owen Burt Brennan, an associate of Mr. Hoffa's.

Late Tuesday afternoon the meeting got back to insurance when the committee called Willis J. McCarthy, a Des Moines attorney, who represents truckers and was present at the negotiations that set up the Central States welfare plan.

Mr. McCarthy said several bids were put in for this insurance and that finally it was worked down to 14 eligible companies. The business finally was given to Union Casualty & Life, even though that company had a retention rate of 17½% and the next highest retention was 11%. Most of the companies were asking 8¾% retention.

Mr. McCarthy said he told those negotiating the contract that in his opinion Union Casualty was not the company a person would choose if he were insuring his family or insuring anything else of his own personally.

"Did you ever get the impression someone was trying to throw the business to Union Casualty regardless?" he was asked.

"I was of that opinion right along," Mr. McCarthy answered. He said that based on the facts, he didn't see where Union Casualty had the qualifications to handle the business.

"Who was trying to do this?"

"James Hoffa and Tom Flynn."

Mr. McCarthy said Mr. Hoffa praised Union Casualty. When asked why the employers decided to go along with the Union Casualty bid, he said that they, to his notion, were opposed to this, but that they did it as a means of obtaining good labor relations.

Rep. Hoffman then jumped up and stated "there isn't any question about it, is there, that the employers took 17½% in the interest of avoiding labor trouble, for expediency, a futile effort to buy peace in labor relations?"

Eugene J. Williams, business agent of Local 544 of the Teamsters union at

Minneapolis, who administers the pension plans of the transfer employers and warehouse employers there, gave the committee a good deal of trouble. What the committee was trying to point up was that Mr. Williams, as pension fund administrator, had received \$10,000 from the administrative fund for his personal use, but there was quite a bit of jockeying for the terms to cover this transaction.

It finally was agreed that \$10,000 had been received by Mr. Williams, that it was money he hadn't earned, and that it was impossible to determine when he ever would earn it from the fund. Mr. Williams said as fund administrator he is accountable to nobody. His income as pension fund administrator comes from whatever is left in the administrative fund of 7% of income at the end of the year. That might be \$2 or nothing.

Mr. Williams said his duties consist of investigating possible investments, checking applications for pensions, and seeing to it that the employers pay their share of the costs.

He was reluctant to divulge any information, and several times he told the committee he was answering the question, or already had answered the question and they could look in the record if they wanted to know what he had just said.

The \$10,000 Mr. Williams received was one of a number of loans he made to start a bar and grill.

Then there were questions about some money Mr. Williams received from the union health and welfare plan. This was around \$1,800, and also went for the bar and grill. Mr. Williams was the administrator of this plan, but he said it was changed from an insured plan to something else which he didn't make clear, and he couldn't remember whether the money came from the administrative expense allowed by Great-West Life, or was just there as part of the new fund. This money has been paid back.

Not much attention was paid to the A & H plan, primarily because the committee had so much trouble dragging from Mr. Williams any data on the pension plans. He said about \$100,000 has been paid into them since they were started in July of 1952, and the first audit will be made in January, 1954. Of each plan, Mr. Williams gets 7% of income for administration, but he was unable to recall any details as to his expenses, personal income, or fund purchases, and could not guess within \$50 of what his only assistant, a part time office girl, is paid each week. This lack of memory resulted in repeated questions on each point.

There were perhaps one or two insurance people at the hearing. The Michigan department was represented on Tuesday by Carlyle Watters, head of the licensing division, who went back to Lansing Wednesday. Those trying to follow the insurance aspects were kept in suspense because the committee is not concentrating on that subject, but is apparently chiefly concerned with the labor situation in general and Teamsters union in particular.

Glens Falls Told to Pay

Glens Falls Indemnity has been ordered by the Minnesota railroad and warehouse commission to pay \$4,000 to three Minnesota livestock dealers in satisfaction of claims totaling more than \$13,700. It bonded Sam Goldberg, a livestock buyer, for \$4,000. The state commission charged Goldberg with fraudulent practices.

Cincinnati Agents Launch Prestige "Ad" Campaign

A number of Cincinnati agencies have banded together to engage in prestige advertising for the local agent and a series of advertisements will be run on a rotating basis in the three Cincinnati newspapers. The copy features the initials P.Q.A., which stands for professionally qualified agents. The text is being copyrighted but arrangements are made to release the ideas to other interested agency organizations throughout the country. Raymond Folz is chairman of the committee that shaped up the program and the other members are J. M. Barkdull and Max Bernstein. The participating agencies are: Barkdull & Guckenberger, Walter P. Dolle, Earls-Blain, Raymond F. Folz, Franke Agency, John H. Gall, Donald G. High & Son, Isaacs & Bernstein, Gustav May, Thos. McEvilly, Jr., Neare, Gibbs, Francis J. O'Leary, Perkins & Geoghegan, Frederick Rauh, Rixey, Schottenfels, A. W. Shell, H. Patrick Sweeney, and Wilson-Downs.

Jury Finds Explosion Without Evidence of Fire

Hulcher Soya Products Co. of Virden, Ill. won a verdict of \$51,000 in the circuit court at Springfield, Ill., for what happened to its elevator July 10, 1951. Insurers were Millers Mutual Fire of Alton, Millers National, Mill Owners Mutual, Michigan Millers Mutual and Grain Dealers. The insurers contended that the loss was due to construction failure and that the concrete building was inadequately reinforced. They said here was no evidence of any fire and that this proved the absence of an explosion. However, the jury decided otherwise and gave a verdict of \$48,000 for damage to the building and \$3,000 for damage to stock. The insurers will appeal. This is a Millers of Alton line. Paul Heineke of Chicago is attorney for the companies.

Anent MP Extension

The report in the recent issue of THE NATIONAL UNDERWRITER on the extension in the medical payments coverage endorsement to the automobile liability contract, an extension that has been filed countrywide by most insurers, may have given the impression that member companies of National Bureau of Casualty Underwriters were going to charge twice as much for the new additions to the coverage as they have been charging for the basic medical payments. Actually, the understanding is that these companies will charge for the extension a premium equal to the charge for the basic MP. If insured is now paying \$3 for MP, he would pay \$6 for the medical payments with the new extensions of coverage added.

Effective date of the extension is still open, hinging on approval by the supervisory authorities.

Louisville Centennial Plans

Plans for the centennial celebration of Louisville Board of Insurance Agents Feb. 15 are making good progress. The 31 presidents and U. S. managers of companies that have been in business 100 years or more have selected John A. North, president of Phoenix of Hartford, as the speaker for the companies.

Peyton B. Bethel, secretary-emeritus of the board, has for weeks been going through old board records for pertinent facts and has built up quite a historical record.

Kansas Agents at Saety Parley

Kansas Assn. of Insurance Agents was represented at the governor's highway safety conference at Topeka

by President Robert S. Charlton, Lawrence; Executive Secretary Frank Dunkley, Topeka; Executive committee members Joe Moddrell, Wichita; Gilbert Henry, Kansas City; Cheney Prouty, Bob Reynolds and Sherry McAnany, all of Kansas City; Hoyt Smith, Eldorado, and Thad Barhydt, Salina.

Western Adjustment Adds to Casualty Facilities

O. V. Ashley has joined Western Adjustment's head office staff as a casualty claims supervisor. He will engage in field training and assisting adjusters in casualty claims procedures.

Mr. Ashley is a graduate of University of Kansas law school and joined the Wichita adjustment firm of Sheffer-Cunningham in 1935. In 1943 he became an agent with the army criminal investigation department.

In 1945, he rejoined Sheffer-Cunningham and was admitted as a full partner. In 1951, he established his own casualty adjustment company at Shawnee, Okla.

In addition to his educational activities, Mr. Ashley will be available for consultation on larger claims while M. M. Schulte will continue in his present capacity of supervising casualty files.

Carson N. B. & M. Atlanta Loss Head; Ward N. C. Chief

Curtis C. Carson has been appointed superintendent of the loss department in the newly established southern department of North British & Mercantile at Atlanta. For the past 28 years he has been North Carolina state agent. He is succeeded in that position by William Ward.

Hospital Assn. to Convert

State Hospital Assn. of Tarboro, N. C., plans to convert from a hospital and medical service corporation to a stock A. & H. or life company.

Larry P. Eagles, president, has called a meeting of certificate holders for Dec. 30, to take action on the proposed charter amendments.

The North Carolina department said the company has a surplus of about \$135,000. Under the conversion plan submitted to the department, each of the 2,000 policyholders will be given credits toward purchase of \$100 par value preferred stock in proportion to their interest in the \$135,000. Also, each policyholder will be given the right to buy one share of voting common stock of \$1 par value at \$1.50.

Advance Two in Northwest

Coast Underwriters has appointed Albert D. North as ocean marine manager and Brooks K. Whittle, who has been special agent at Seattle, as branch manager for Washington and Oregon, both with headquarters at Seattle.

Mr. North has been with Marsh & McLennan at Seattle as general average adjuster for six years. He is a graduate of University of Washington and holds a master's license in the merchant marine.

Lumber Loss at Syracuse

The recent fire at the Derby Lumber Co. at Syracuse, N. Y., caused an insurance loss of approximately \$150,000. It is understood that Pennsylvania Millers Mutual had the cover.

Kansas "College Days" Party

The Kansas Blue Goose has announced a "College Days" party for Dec. 5 at Topeka. There will be a prize for the oldest "grad" present. Heading the committee is Bob Rice,

Home, assisted by Leon Mahoney and Merle Stubbs and their wives. Puddle members from Wichita and Hays are urged to attend.

Winebrenner President of Pacific CPCU Chapter

Ted Winebrenner, American International Underwriters, Los Angeles, has been elected president of the Pacific CPCU chapter. Vice-president is Neil Flammer, Pacific Employers; secretary, Edgar H. Donaldson, Paul H. Talbert Co.; treasurer, Earl Smyth, Griswold & Co.

Harvey A. Drinkwine, John E. Hutton, John H. S. Jamieson and John L. Kelly were elected directors. Outgoing president is Kenneth Hough, who was recently transferred to the home office of Anchor Casualty.

An open discussion followed on multiple state workmen's compensation problems and suggested cures.

Ins. Co. of Oregon Being Formed at Portland

Ins. Co. of Oregon is in the process of organization at Portland, with authorized capital of \$500,000. The company is being licensed as Oregon's first domestic multiple line company and it will initially write only A&H and credit life covers. The bulk of the stock already is subscribed.

Heading the incorporating group and serving as the temporary president is John C. F. Merryfield, who has been with Connecticut Mutual Life. Among the other incorporators is Malcolm L. Williams, Oregon manager for Guardian Life.

Zurich Plan Extended

Five additional states—Arizona, Illinois, Kansas, Ohio, and Wisconsin—have approved the merit classification plans of the Zurich-American for private passenger automobile insurance. With these approvals the plans may be used in their entirety in a total of 29 states and the District of Columbia.

Approval of the physical damage merit classification plan has been granted in New York. The merit plan for liability and medical payments coverages is still to be considered.

Panel Session at Seattle

The November luncheon meeting of Washington Assn. of A&H Underwriters at Seattle was highlighted by a panel discussion.

Participants were Len Eskelin, Occidental Life of California, moderator; J. Philip Wolgemuth, Provident Mutual Life; Bruce H. Rogers, Rogers Insurance Service, and Howard Coffey, Mutual Benefit H&A. A&H coverage for business men, sales and prospecting were discussed. M. W. Bronson, Occidental Life of California, was program chairman.

Public Nat'l in Washington

Public National Ins. Co. of Miami, under the management of Kurt Hitke & Associates, has been admitted in the state of Washington and is writing a substandard automobile policy with rates at 50 to 80% over manual. Collision is written on \$50 or \$100 deductible and there is \$25 deductible fire, theft and comprehensive. Facilities also are offered for taxicabs and long haul trucks. The Seattle office is on a local agency basis.

Justus G. Daniel, Jr., has been appointed general claims manager for North Carolina Farm Bureau Mutual. He has been state claim manager of Farm Bureau companies of Ohio.

The Kansas City Blue Goose Auxiliary has scheduled its Christmas party for Dec. 12.

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North British Atlanta Chief With Group for 27 Years

Charles J. Williams, vice-president and secretary of North British in charge of the new Atlanta regional office, is a native of Texas and has been with the group 27 years. He has had many years of experience in all branches of the fire business and for the past seven years has been in charge of the southern department at the New York home office.

Agents of the North British group now will report to Atlanta direct



CHARLES J. WILLIAMS

from 10 states, Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas and Virginia.

The opening of the new office at 739 Peachtree street, N. W., in Atlanta is in line with the group's long range program of decentralization which was initiated several years ago by W. L. Nolen, U. S. manager. The program is to establish strategically located branch offices equipped to furnish home office facilities and increased on-the-spot service to agents in the surrounding territory. The Chicago and Philadelphia offices already have been enlarged as to territory and scope of operation and last month the Detroit office operations were enlarged in those respects.

Lively Competition in Conn. on Homeowners Policy

Some companies are reported paying 30% commission on homeowners policies in Connecticut. This is the package written at a discount of about 20% on the aggregate of its component parts. The policy has done well in that state, with several insurers putting on campaigns with agents. Competition gradually has become livelier. It was originally put out at a 20% commission. Most of the major companies that have the package have been writing it in the state, including Aetna Fire, North America, American, Great American, Security, etc.

Minnesota F.U.A. Meets

Dwelling forms, home owners' policies "A" and "B" and the new automobile physical damage manual were among the items discussed at the Nov. 23 meeting of Minnesota Fire Underwriters Assn. at Minneapolis.

Mell Is Phila. General Manager

In last week's issue THE NATIONAL UNDERWRITER, in a late news bulletin, inadvertently omitted that the appointment of P. H. Mell was as general

manager at Philadelphia for Houston Fire & Casualty and General of Fort Worth, in charge of both the eastern and southern departments. Mr. Mell's insurance background was given but not the new appointment or his initials.

Scope of Farm Mutuals in Mo. is Defined

Attorney General Dalton of Missouri has given an opinion to Superintendent Leggett that farmers mutual insurance companies that were organized under the 1949 law may not write third party liability insurance on motor vehicles but they may do so if they comply with HB 249 that became law Aug. 29, 1953. That law prohibits formation in the future of farmers mutual insurance companies under the 1949 statute but allows those already formed to accept the provisions of the new law.

N. H. Fire Gives Report on 9 Month Operations

New Hampshire Fire gives a report of its results for the first nine months showing assets \$45,228,693 at Sept. 30, which was a decrease of about \$700,000 from Dec. 31. Capital was \$4 million as against \$3,750,000 at Dec. 31. There was a catastrophe reserve of \$1 million and security valuation reserve of the same amount and net surplus was \$9,552,208 as against \$12,208,522 at Dec. 31. Premium reserve was \$18,382,389 which was an increase of about \$1 million.

Net premiums written for the nine months were \$15,006,109, the ratio of losses incurred was 50.63, adjustment expenses incurred 2.83, taxes incurred 1.88, other operating expenses 39.43, trade profit 5.23 or \$784,136. The underwriting loss was \$287,731 after the increase in premium reserve. Net investment income was \$716,100. There was a decrease in value of investments of \$1,555,976.

National Buyers Assn. Elects

National Insurance Buyers Assn. at its annual business meeting in Chicago adopted a revised constitution and by-laws and directors elected as president, B. E. Kelley of U. S. Plywood Corp., New York; vice-presidents John F. Burke of Coast Service Co., San Francisco, and Lowe H. Wiggers of Procter & Gamble Co., Cincinnati, treasurer, George E. Rogers of Robert Gair Co., New York, and secretary, Peter A. Burke.

Discuss Mexico City Pond

Alamo Blue Goose of San Antonio at its November meeting discussed the possibility of the organization of a pond at Mexico City. It was decided that the question should be taken up with the grand nest.

Panel on Express Topics

New York Mariners Club at its November meeting had as guests several executives of Railway Express Agency who formed a question and answer panel on matters pertaining to bills of lading, declarations, protection and the handling of losses. The panel experts were: Ernest W. Hull, director of advertising and promotion; F. D. Kelley, director of sales; Julius Press, chief commercial agent; Raymond Glancy, manager of claims; Robert Peterson, superintendent of operations department, and R. G. McLain, superintendent of commercial division.

The Lakeview, Mich., school board has increased insurance coverage on school properties by \$252,000. The coverage is pooled between the Houghton, Mason and Rathbun agencies of Grand Rapids and the Mill Mutuals Agency of Lansing.

Borderline Cases of Blasting Damage Pose Problem for E. C. Insurer

A recent discussion of blasting vibration claims by W. M. Whitesell, Jr., manager of the recovery division of General Adjustment Bureau in the eastern department, attracted the attention of fire insurance company executives.

Mr. Whitesell points out that with a large amount of blasting that is being carried on currently in connection with highway building, general construction and the construction of sewer and water supply facilities, insurers are faced with a constantly increasing flow of claims as a result of alleged damage to buildings from vibration created by dynamite explosions. Consequently, adjusters and construction men are becoming more familiar with the type of damage which may be expected from blasting vibration.

A situation that is creating a considerable amount of difficulty is, however, coming to the fore. On one side is the building owner whose property has been allegedly damaged by the blasting vibration. He seeks to collect from his extended coverage insurer the amount that may be necessary to rehabilitate the damaged premises. Some of the damage may be due to blasting. Some, however, may be the result of the aging of the structure, and should not be paid for by either the E. C. insurer or the blaster.

Since the building owner may not closely inspect his premises frequently, after something like physical vibration of the premises from a dynamite explosion nearby, an inspection by insured may reveal cracks that were there before but which he is seeing for the first time.

On the other side of the question of blasting damage there are a number of seismological experts who are more or less regularly retained by blasting companies for the purpose of making tests of the vibration caused by the explosion. Such experts may maintain that blasting as it is being conducted could not possibly have caused building damage. Their position is that all damage visible in a certain building was the result of ordinary deterioration and not caused by blasting.

Somewhere between the two extreme positions is the real truth of the matter.

There is little difficulty in connection with building damage which results from the use of obviously improper blasting technique or excessive charges of dynamite or blasting powder. They usually leave sufficient evidence to establish the cause of damage. What is causing concern is the large number of borderline cases resulting from the use of what may be considered by the blasters to be a normal charge for the operation.

Latterly there has been perfected portable seismograph equipment which records on a paper strip the vibrations caused at a particular location by any given set of circumstances. Mr. Whitesell then describes the measurement of vibration in this way in considerable technical detail.

Construction men now use the term precision blasting. However, they appear to forget that the true scientific approach must eliminate all unknowns or reduce them to known values when determining safe distances for the conduct of blasting. Rock of different densities will conduct vibrations differently; blasting in granite will differ from

blasting in shale, limestone or sandstone. The nature of the rock formation above and below the strata in which the blasting is being carried on will exert some influence on the transmission of vibration, as will the presence of underground faults and other subsurface features. Obviously with so many unknowns it seems impractical to attempt to apply measurements from one blasting project in an effort to anticipate the effect to be expected from some other project where the overburden, soil above the rocks, cannot be proved identical.

Blasters contend that plaster cracks caused by seismic vibrations must appear in a characteristic X shape because of the fact that the wall will, at least theoretically, move as far in one direction as it previously moved in the opposite direction. That condition might be true if an absolutely sound plaster wall with no internal stresses were subject to vibration until it cracked. But it does not necessarily follow that the same effect would result if an aging wall were subject to vibration. As buildings settle and members shrink, certain stresses are built up within the walls. When these stresses reach the strength needed to break the plaster, a crack appears.

Suppose the stresses in a given wall have almost reached the point where they can cause a crack when the additional stress caused by vibration from blasting enters the picture. Then did the vibration cause the crack? It is impossible to return a wall to its original condition. Consequently, it can never be discovered whether it would have cracked without the addition of the strains from the vibration. It must be concluded that the vibration caused the crack.

The U. S. Bureau of Mines points out that the failure of plaster from vibration is not a sharply defined event. In the light of research conducted by this bureau, it seems the best index for determining if a particular crack was caused by vibration is to inspect the plaster in the vicinity of the crack to see if there is any plaster dust present. Little plaster dust would be created in a freshly made crack. In a crack caused by vibration, however, the bureau of mines indicates that the edges of the old cracks first rub together, causing plaster dust; these cracks are later subject to extension if the vibration continues with sufficient severity.

The report of the bureau of mines indicates rather definitely that there is no ironbound rule for determining whether certain damage did or did not result from blasting vibration. The extended coverage insurer therefore has a considerable problem when he has to determine which of the cracks exhibited to him by insured are blasting damage and which are from some other cause. By the same token, however, according to Mr. Whitesell, it is no easier for blasting experts to determine whether or not a particular crack resulted from blasting operations.

When a property owner is willing to admit that every plaster crack he has found in his house was not caused by blasting operations, and when the blaster is willing to admit that it is possible that he could have caused some damage to the property in question, the adjuster will have reached a point where he can proceed to justice to the interests of all parties concerned in the handling of these claims.

Late News Bulletins . . .

Frank Greene to Finnell & Finnell

Frank Greene has joined Finnell & Finnell, Inc. of Royal Oak, Mich., the general agency, as vice-president. He will travel Wayne county and east Michigan. He was for many years state agent for National Fire, and more recently has been in the local agency business at Detroit.

Socialist Insurer Deal Blocked

Superintendent Jordan of District of Columbia has directed National Assn. of Plumbing Contractors to cease soliciting members on behalf of the association plan of public liability and PDL. The policies are being handled by Jackson Org. of Cleveland and written by Saskatchewan Guarantee & Fidelity, which is the socialistic government-owned insurer of Regina. It is not licensed in the District. The pamphlet asks the members to send their applications directly to the association headquarters "for forwarding to the Jackson Org. on your behalf." Mr. Jordan said NAPC had agreed to suspend its activities insofar as they were directed to members in the district.

American Health Men Advanced

W. Lee Meehan has been elected vice-president in charge of the home office underwriting department of American Health of Baltimore. Since 1946 he has been Richmond manager of American Health. He has been with the Commercial Credit group since 1942.

Benjamin L. Ireland has been elected assistant vice-president in charge of the claim department. He has a law degree from Baltimore U. He went with American Health in 1948, and prior to that had been with Union Memorial hospital and with Maryland Blue Cross.

C. I. Warneke has been appointed promotional director. He has been an American Health man since 1951, and a Commercial Credit group man since 1936.

Schedule Type Contract on Drawing Board

The business now is working on a proposed schedule type liability coverage that would start with the premises hazards and show in addition to basic OL&T, M&C, elevator, contractual, products, etc. There would be no substantive change in coverage and, of course, no change in rates. Purpose of such a contract would be to save policies, give a better concentration of coverages which would result in improved claim practices, and be more convenient for buyers and underwriters. The contract is some months away from announcement.

Demonstration of \$9,000 Extra Expense Loss in Agency Is Sales Clincher

An interesting demonstration of the value of extra expense coverage which involved a local agency in Springfield, O., a town of 75,000, recently was prepared by Allen C. Guy, regional supervisor at Columbus of Western Adjustment. At least one company, and perhaps others, has made good use of the demonstration to get their own agents to buy this coverage—because they need it and because it stimulates them to place the insurance on other businesses that need it.

Mr. Guy also has prepared a similar demonstration on loss involving a title guarantee corporation. The two were prepared at the suggestion of Ohio Fire Underwriters Assn. and were distributed to its membership.

The first loss involved an important local agency that occupied quarters in a five-story building, which was 85% destroyed by fire March 10, 1953. The agency salvaged badly damaged records and equipment from the wreckage in the basement and moved them to an abandoned school building where they were dried and reconditioned and eventually moved to temporary and then to a permanent location in a different building.

Restoration of the building where the fire occurred will require 10 to 12 months from the date of the fire. But the energetic and enterprising agency, which had extra expense insurance, returned to normal business in three months.

As Mr. Guy pointed out in his demonstration, it cost the agency real money to establish a new location. The rent in temporary quarters amounted

to a total of \$882. Normal rent was \$200 for the same period, which meant an extra expense of \$682. The tab for overtime and extra help totaled \$1,923, extra traveling by members of the agency \$228, extra meals \$30, radio advertising \$1,361 and newspaper advertising \$2,875 for a total extra advertising expense of \$4,236.

Also, there was extra expense for temporary signs equipment of \$19, temporary and extra telephones of \$74, moving from the location of the fire to a storage location and then to the permanent location \$1,850. Thus a total loss came \$9,053 within the agreed period of restoration to normal operation of three months. The limits of liability were 40% not in excess of one month, 70% not in excess of two months, and 90% not in excess of three months. This was 90% of three months as approximately restoration of \$10,000 coverage, or \$9,000 against a loss of \$9,053.

The title corporation was located in a brick building in Columbus, which burned Dec. 9, 1952. It would have required ten months to rehabilitate. Insured eventually moved into permanent quarters at another location and was back in normal operation by April 1.

Rent items totaled \$5,575, less normal rent at the fire location for period of temporary interruption of \$2,114, making an extra rent expense of \$3,461. The items for extra help, outside, overtime, legal and meals total \$6,926, moving \$2,797, newspaper, radio and TV advertising plus extra mail and postage totaled \$2,812, temporary equipment

rental \$1,683 and for other necessary equipment \$132. Also temporary dark room cost \$97, telephone \$393, temporary electrical installations at temporary locations \$51 for a total loss of \$18,354. Insurance applicable was \$30,000.

Chance Is Lost to Fix Value of Dead Wild Goose

John A. Dougherty, local agent of Cairo, Ill., contributed to hunting conversations at the Illinois agents meeting at Peoria, a story of a claim minded goose hunter that is a customer of Mr. Dougherty and how the latter by diligent inquiry frustrated what would have otherwise been an unfounded payment. This hunter made claim under his residence and outside theft policy for a goose that he had shot, deposited on the porch of the hunting club, and that disappeared while the hunter was off to enhance his bag. The insured insisted that the goose had been stolen by a fellow member of the club. Mr. Dougherty allowed that this was indeed personal property and probably constituted a loss under the policy but on the question of value he challenged the claimants' argument that there should be included a pro rata allowance for club dues, and other expenses involved in goosing and celebrating their demise. Mr. Dougherty had the light fisted notion that at best the goose was worth no more to the insurer than a domesticated fowl at the butcher shop. There was a deadlock and while Mr. Dougherty was seeking expert opinion on the insurable value of a goose, he happened to overhear a group of hunters chuckling over how the claimant had been fooled, since the supposedly dead goose had been seen to come to life on the porch and sail away. Hence the question of the value of a dead goose remains unanswered.

Plan Casualty Yule Party

Casualty Adjusters Assn. of Chicago will hold its giant Christmas party Dec. 3 in the Terrace Garden of the Morrison hotel. The affair is always a highlight of the association's meeting season.

H. J. Ball of American Casualty is the Christmas party committee chairman. Assisting him are Roger Gorman, Jr., Zurich; E. D. Kramer, C.B.&Q. railroad; H. J. Choice, Chicago Ice Producers Mutual Liability; W. H. Spaulding, Fireman's Fund, and Robert T. Luce of Casualty Mutual, association secretary-treasurer.

Blaisdell Speaks in N. J.

Paul H. Blaisdell, director of public safety of Assn. of Casualty & Surety Companies, will speak at the Burlington County Safety Council conference Nov. 30 at Burlington, N. J.

\$9 Million Contract Bonded

Mittry Constructors of Los Angeles have been awarded the contract at \$9,459,584 for certain work on the Oahu Reservoir project near Pierre, S. D., Hartford Accident is on the bond, with 17 co-sureties.

Fowler Leaves Ill. Office

William J. Fowler, who had been an examiner in the Illinois insurance department for a number of years, has severed his connection with the state office.

Vermont Renames Hubbard

Vermont Assn. of Insurance Agents has reappointed as state national director Richard C. Hubbard, Middlebury. He is a past president of the state association.

Hudson County Assn. of Insurance Agents will hold its Christmas party at Jersey City, Dec. 16.

Honor Ludolph at 40th Anniversary Celebration of San Antonio Exchange

The 40th anniversary of the organization of San Antonio Insurance Exchange and the 40th anniversary of Francis F. Ludolph as secretary of the exchange were observed with a dinner honoring Mr. Ludolph, who was one of a small group which met in 1913 to organize the exchange. The only other living member of the group is William L. Stiles, who until the infirmities of age retired him, was closely associated with Mr. Ludolph in the San Antonio and Texas associations.

About 250 insurance leaders, local and state, gathered to pay tribute to Mr. Ludolph for his leadership in local affairs and for his service to the exchange and to Texas Assn. of Insurance Agents.

Charles F. C. Ladd, Piper, Stiles & Ladd, vice-president of the San Antonio Exchange, was chairman and Arthur Randol, past president of the exchange, was master of ceremonies. Frank Gittinger, past president of the exchange and of the Texas association, paid tribute to Mr. Ludolph for his services to stock company agents and to the insurance business in San Antonio and Texas. Melvin J. Miller, Fort Worth, past president of N.A.I.A., closed with a review of Mr. Ludolph's work and his attendance at National association conventions.

After Mr. Ludolph gave an expression of his appreciation, Arthur Randol, in behalf of the San Antonio Exchange, presented Mr. Ludolph airline tickets for a tour of Europe, the gift of the exchange. Many floral offerings decorated the head table. Telegrams and letters of congratulation, sent by state and national insurance leaders, were received from all over the nation.

N. Y. Board Reelected

The New York advisory board of A&H examinations has reelected J. F. Follmann, Jr., general manager of Bureau of A. & H. Underwriters as chairman. The other members also were reelected, they being: Vice-chairman, J. F. Lydon, Ocean Accident, and secretary, Mrs. Elizabeth Slassky of the New York department.

Crum Forms Dallas Agency

C. L. Crum, since 1949 manager of Fidelity & Casualty at Houston, has returned to Dallas to organize his own agency, Crum & Co. He entered insurance at Dallas in 1928 with Constitution Indemnity and went with F. & C. in 1930.

Enterprise to Sell Stock

Enterprise of Los Angeles has been granted a permit to sell 20,000 shares of \$10 per value stock at \$15 per share to a named list of officers of the company and of Charles McKenney Underwriters, Inc., with which the company is authorized to enter into a general agency management contract.

Cover Lincoln City Buildings

The Lincoln, Neb., city council has approved fire and EC insurance to 80% of value on city buildings. It will be placed with Lincoln Assn. of Fire & Casualty Agents with a \$3,828 premium. Liability insurance to cover the Union Airport also was authorized.

Edward L. Scheffler, United States district attorney at Kansas City, who prosecuted and secured the conviction of the Greenlease kidnap-killers, is a former superintendent of insurance of Missouri, serving in that post 1942-5.

Union Casualty & Life has entered Florida. It is now licensed in 15 states

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